

**COWIE FLEET**  
Cars, Vans, Trucks,  
Contract Hire  
Finance: Nationwide  
COWIE FLEET DIVISION  
Head Office:  
MILLFIELD HOUSE, HYLTON ROAD  
SUNDERLAND SR4 7BA  
TEL: SUNDERLAND 4912, TELEX: 51755

EXPERIENCE, EXPERTISE,  
AND TEAMWORK  
IN CONSTRUCTION.  
**TAYLOR  
WOODROW**

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Ptas 80; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p

**NEWS SUMMARY**

**GENERAL**  
**Soviet ballerina in U.S. talks**  
U.S. and Soviet diplomats agreed on a compromise under which Soviet ballerina Lyudmila Vlasova would be interviewed in a mobile lounge at Kennedy Airport, New York, in the presence of both Soviet and American officials.  
The agreement came after more than 60 hours of haggling that began when her husband, Bolshoi Ballet star Alexander Godunov defected to the U.S. Godunov claimed his wife was being forced to leave the country and U.S. officials stopped an Aeroflot plane carrying Mrs Vlasova from leaving the airport.  
The State Department said the agreement to interview the ballerina in the mobile lounge drawn up by the Aeroflot plane would provide her the opportunity "free from coercion" to state her views.

**BUSINESS**  
**Pound up 1 cent; Yen weaker**  
MANY EUROPEAN currencies strengthened fractionally against the dollar, in spite of the very low level of trading in currency markets. STERLING gained more than most against the dollar and was quoted in late afternoon in New York at \$2.2455, up by more than 1 cent on Friday's close of \$2.2355. However, the Japanese Yen weakened against the dollar, dropping from its level of ¥219.25 at the close on Friday to ¥220.26 late yesterday afternoon in New York.  
WALL STREET was 7.09 up at \$87.29 just before the close.  
U.S. has given qualified support to plans to increase the role of the IMF's special drawing rights in world currency reserves, reducing the importance of the dollar. Back Page  
FIFTY-FIVE Lloyd's underwriting syndicates are claiming \$10m from Federal Leasing of the U.S., a computer leasing concern which is suing the underwriter for \$82.5m over disputed computer leasing insurance. Back Page  
FT GROCERY INDEX fell for the second month running, declining 0.53 to 114.16 in August. A sharp fall in the cost of fresh fruit and vegetables led to the index's fall. Page 4  
FRENCH consumer prices rose by 1.3 per cent last month, the biggest monthly increase for well over a year, bringing the rate of inflation for the last 12 months up to 10.3 per cent. Page 2  
WEST GERMAN trade surplus fell sharply in June to DM 600m (£147.4m), from DM 1.7bn in June this year and July 1978. The current account deficit in July totalled DM 2bn, against DM 3.2bn in June and DM 2bn in July last year. Back Page  
CABINET'S economic strategy committee will decide within the next month the time and scale of the planned sale of the Government's shareholding in BP. Back Page  
NCE is to equip 34 pits with microprocessor control systems which will control mine production from the surface. The cost of the systems is expected to be about £10m. Page 4  
COURTAULDS, the UK textile group, plans a major relaunch of its Courtauld acrylic fibre this autumn in a bid to increase sales in the carpet, garment and knitwear industry. Back Page  
LABOUR  
HOOVER plans to cut its workforce at its Merthyr Tydfil plant by between 700 and 1,200 jobs. The cuts are to be discussed at a meeting of unions and management tomorrow. Page 4  
CIVIL SERVICE Department Ministers, at the centre of the Government staff cost review, have approved the range of options for scaling down the department's own manpower expenditure by between ten per cent and 20 per cent by 1982. Page 4  
COMPARISONS  
DOWTY group must seek further acquisitions, particularly in the U.S., in order to remain competitive, chairman Sir Robert Hunt told shareholders in his annual report. Page 12  
SIME DAREY HOLDINGS year's pre-tax profits to the end of June rose by 23.5 per cent to nearly £521m (£45.94m) on turnover 6.5 per cent up at £31,815m. Page 13  
TOYOTA Motor Company of Japan announced a 12.2 per cent fall in net profit for the year ended in June to ¥102,058bn (£210bn) on a sales rise of 7.1 per cent. Page 13

**Israeli gunners break ceasefire**  
Israeli gunners broke South Lebanon's day-old ceasefire with a shell attack on suburbs of the port city of Tyre as a Lebanese envoy flew to Syria to begin a tour aimed at calling an Arab summit on Lebanon's continuing bloodshed.  
The Israeli Cabinet will meet today to reassess its policy of attacks on Palestinian guerrilla targets in south Lebanon in the light of foreign criticism of Israeli actions. Page 2

**Kidnap demand**  
An anonymous telephone caller told the Italian news agency ANSA that London businessman Rolf Schildt and two members of his family were abducted by a group called "the Red Guerrillas". The caller demanded the freedom of several Italian prisoners in exchange for the release of the Schildts.  
Mondale offer  
U.S. Vice-President Walter Mondale offered China \$2bn (£895.5m) in financial aid over the next five years. He was addressing an audience of academics and students at Peking University in the first speech by a U.S. leader made direct to the Chinese people in more than 30 years. Page 2

**Briton killed**  
British chemistry professor Wolke Popiel was shot dead in Kampala by three men, wearing suicide belts, who shot him at least 10 people have been killed in the Ugandan capital in the last four days and 42 cases of gunshot wounds were admitted to hospital over the weekend.  
Convict shoot-out  
Eighty-two convicts who had been holding three guards hostage inside Las Vegas City Jail since Saturday, gave themselves up after two leaders shot each other dead. Their demands had ranged from hot water in prison showers to cell radios.  
Homeward bound  
All 253 UK passengers rescued from the grounded Danish ferry Winston Churchill were due to fly home from Sweden last night as efforts continued to free the ferry from the rocks 10 miles from Gothenburg.

**Briefly...**  
Cuba pardoned 400 political prisoners on the eve of the 88-member summit of the non-aligned movement in Havana.  
Irish church leaders flew to Rome for talks on the Pope's itinerary for his visit to the Republic next month.  
Madrid police arrested 28 people accused of smuggling drugs into a city jail in tennis ball, chickens and omelets.

**CONTENTS**

Britain's countryside: growing encroachment threat	10
The Indian election: politicians and opportunism	11
Lombard: net balances saga, by Anthony Harris	8
English wines: come into their own	8
Editorial comment: Lord Mountbatten's death, the BP sale, non-aligned nations	10
Management: Franch Ferodo and Lucas, flex their muscles	7
Arts	9
Appointments	16
Building Notes	16
Businessman's Dr	16
UK Company News	12
Crossword	12
Entertainment Side	8
Financial Diary	16
Insurance	16
Int. Co. News	13
Labour News	9
Leader Page	10
Letters	11
Law	22
Lombard	8
Management	7
Market and Markets	10
Money & Exchange	17
O'Casey News	2
Racing	8
Share Information	20-21
Sport	9
Technical Page	13
Today's Events	11
TV and Radio	6
UK News	6, 12
Unit Trusts	19
Weather	22
World Econ. Ind.	10
World Trade	17
World Value	17
ANNUAL STATEMENTS	12
Brady Industries	12
Lavender Int'l.	12
Lower Park Tm.	12
McLeod Russell	7
INTERIM STATEMENT	15

For latest Share Index phone 01-346 8026

**IRA CLAIMS RESPONSIBILITY AFTER THREE DIE IN BOAT BLAST**

**Lord Mountbatten killed**

BY STEWART DALBY IN BELFAST AND ROGER BOYES IN DUBLIN

THE PROVISIONAL IRA last night claimed responsibility for the murder of Earl Mountbatten of Burma, who died just before midnight when his holiday boat exploded a mile off the coast of Co. Sligo in the west of Ireland.  
The explosion, which an eye witness said ripped the boat to shreds, also killed Nicholas Knatchbull, Lord Mountbatten's 14-year-old grandson, and 15-year-old Paul Maxwell, a boat boy from Enniskillen.  
The four other occupants of the boat were all badly injured. They were Lady Brabourne, Lord Mountbatten's daughter, Lord Brabourne, her husband, the Dowager Lady Brabourne, and Timothy, twin brother of Nicholas.  
Both women and Timothy were in the intensive care unit of Sligo General Hospital last night. Lord Brabourne, although badly hurt, was not in such a critical condition and was in a general surgical ward.  
The assassination of the 79-year-old Lord Louis, a cousin of the Queen and an uncle of Prince Philip, came only hours before the Provisionals murdered ten soldiers on a road outside Warrenpoint in Co. Down.  
Four other soldiers were injured in the explosion and taken to hospital.  
As a helicopter, sent to ferry out the casualties, landed close to the scene of the attack, a second bomb went off, injuring two of the crew and damaging the machine.  
In spite of the damage, the pilot was able to grab the two injured soldiers and fly back to base.  
The death of Lord Louis was clouded for a while when another IRA terrorist group, the Irish National Liberation Army (INLA), who claimed they killed Mr. Airey Neave in the car park of the House of Commons last April, first claimed and later retracted responsibility for the murder.  
A statement from Buckingham Palace said the Queen was "deeply shocked" at the murder. In Ireland, the Taoiseach (deputy prime minister) said: "It is with profound shock and regret that the Government learned of the explosion. I wish to tender to those bereaved and injured our most sincere sympathy."  
"All Irish people join with me in condemning this cowardly and heartless outrage. No effort will be spared to bring those responsible to justice."  
Earl Mountbatten was a regular visitor to Co. Sligo, where he owned Glasy Bawn Castle, half a mile from Mullaghmore Harbour. The tiny holiday village is 16 miles north of Sligo town. At its nearest point it is just 10 miles from the border with Northern Ireland.  
Irish Justice Minister Mr. Gerry Collins flew to Co. Sligo for an on-the-spot report. Prince Charles has cut short a fishing holiday in Ireland with his wife, and will return to London today.

Lord Mountbatten is a former Chief of Defence Staff, Viceroy of India and Supreme Allied Commander, South-East Asia during the Second World War. He had been taking his holidays in Glasy Bawn for over 30 years.  
Last night detectives from Dublin's flying squad as well as divers, bomb and forensic experts were in Sligo. The local police said they were treating the case as one of murder.  
Lord Mountbatten's death seems certain to raise a furor about security measures for important foreigners. In 1976 Mr. Christopher Ewart Biggs was blown up and killed by an IRA bomb near the British Ambassador's residence in Dublin's suburbs. Coming as it does less than a month before Pope John Paul II's three-day visit the murder will re-open the question of whether the Irish security forces have, at least in the legal sense, the means to combat guerrilla terrorism. Mr. Robin Haydon, the

British Ambassador, who travels with massive security, and his military attaché flew to Sligo yesterday.  
Mr. Garrett Fitzgerald, the leader of the main opposition party, Fine Gael, called the death a "murderous outrage" and implored the thousands of Britons holidaying in Ireland not to over-react to the "act of murderous thugs who can never represent the feelings of the Irish people."  
Mr. Frank Cluskey, the leader of the small Labour Party, talked of the "shame on the Irish people of these outrageous acts."  
In spite of its denial the murder had all the hallmarks of an INLA operation. The group is a splinter of the Irish Republican Socialist Party, itself an offshoot of the old Official IRA which divided from the Provisional IRA in the early 1970s.  
It was not clear last night exactly what kind of device killed Lord Mountbatten. Unconfirmed reports said it was a time-bomb. The Provisional IRA promised a fuller statement later.



Lord Mountbatten  
Normally the Provisionals make their claims through unconfirmed telexes to Dublin newspapers. Yesterday, however, the news came in the form of a telex to Belfast newspapers and hotels.

**West Germany may not meet oil saving target**

BY JONATHAN CARR IN BONN

COUNT OTTO LAMSDORFF, West German Economics Minister, has dropped a broad hint that his country will not be able to meet the oil savings target for this year set by the International Energy Agency countries.  
He added that he felt almost no other principal agency country would do so, either.  
Count Lamsdorff was asked in an interview with the magazine Der Spiegel, published yesterday, whether West Germany could save 5 per cent of its planned oil consumption in 1979, as promised, when it had increased consumption in the first half.  
He replied that when the savings aim was decided in March, all agency participants knew that it would be hard to meet this year. Further, the West Germans had successfully pressed for insertion of a clause saying that account had to be taken of differing savings possibilities and of economic development in the participating countries.  
West Germany, Count Lamsdorff noted, would probably have real economic growth of 4 per cent this year, a high level demanded by other states at the Bonn Economic Summit in July last year.  
He also indicated that he still opposed measures such as a speed limit on autobahns, praising what he termed the reasonable attitude of the German motorist, and noting that the German vehicle industry was developing new energy-saving models.  
Count Lamsdorff, a leading member of the Liberal Free Democrat Party, had constantly emphasised his belief in the ability of market forces to master many current energy difficulties.  
However, some of his Social Democrat colleagues in the Bonn coalition think otherwise, believing that West Germany will not in the long run be able to do without the kind of speed limit imposed in most partner countries.  
Although some new energy-saving proposals have recently been announced here, Social Democrats feel that more widely ranging action will be needed if Bonn is to be seen as observing the spirit of its international pledges.  
West Germany was one of the countries that last June at the Tokyo Economic Summit, agreed to aim at an oil import level which, by 1985, would not exceed that of 1978.  
However, in the first half of this year, West German crude oil imports were up in quantity by 18 per cent to 52.7m tonnes and in value by 28 per cent to DM 12.5bn (£3bn) against the first half of 1978.  
Although some signs indicate that German motorists are driving a little more slowly than they used to, petrol consumption was up by 6 per cent last month against a year earlier, partly because there are more cars on the road.

**Shock and outrage in London**

BY RICHARD EVANS, LOBBY EDITOR

THERE WERE universal reactions of shock and outrage in London to the death of Earl Mountbatten as politicians began to assess the possible effects on security, on the Northern Ireland situation and on Anglo-Irish relations.  
The initial reactions of Ministers was not to react hastily until full details were available, and there were no plans for a special Cabinet or meeting of Ministers today or tomorrow.  
But it was already clear that the assassination, if confirmed, would have a number of immediate political consequences: it would strain the already sensitive relations between London and Dublin over security and the activities of the IRA; it would call into question once more the security provision for prominent citizens, including members of the Royal Family and politicians; and it would increase pressure on Mr. Humphrey Atkins, Northern Ireland Secretary, to end the present state of IRA violence and to find a political solution to the Irish question.  
Ministers also suspect, however, that the killing of such a prominent member of the Royal Family and revered elder statesman and military leader might produce a revulsion of world opinion, particularly among Irish-Americans, against the tactics of the IRA and other Irish terrorist groups.  
Future relations with the Lynch Government will clearly depend on the outcome of investigations in the next few days and weeks. Ministers were anxious last night not to make matters more difficult by reacting prematurely.  
But it is no secret that Mr. Atkins has not yet struck a close rapport with the Dublin Government, and his tasks of finding common ground over security matters and attitudes to the IRA could now be much more difficult.  
Ministerial comments were confined to the country's loss on the death of Lord Mountbatten, but many Conservative MPs felt less inhibited, and demands were made for an immediate escalation of the military campaign against the IRA, and for Mr. Lynch to be invited to London to ensure fuller Irish co-operation.  
The Prime Minister said in a statement from Chequers that Lord Mountbatten was a legend in his lifetime and his death left a gap that could never be filled. "The British people give thanks for his life and grief at his passing," she added.  
In her view his service as Supreme Allied Commander in South-East Asia had made "a contribution without parallel to the defeat of tyranny in the Second World War," and his life had been a sequence of service to peoples of the world over.  
Mr. James Callaghan, Leader of the Opposition, also on holiday in Ireland, described the death as "barbaric and without reason," as Lord Mountbatten had always been a friend of Ireland.  
Another former Prime Minister, Mr. Edward Heath, said Lord Mountbatten was one of the greatest public servants of his time, both in war and peace. It was a tragedy that one who devoted his whole life to the public welfare should have been destroyed by those determined to wreck both the countries in which he had his homes.

**U.S. backs Khomeini regime**

BY ANDREW WHITLEY

THE U.S. appears to have undertaken a big shift in its policy towards the Islamic Republic of Iran, throwing its full weight behind the survival of the Khomeini regime when it is encountering its most serious resistance.  
In Washington, the State Department has made clear its readiness to resume the supply of some arms and ordnance and has publicly declared its support for Ayatollah Khomeini.  
Significantly it did not mention the Bazaar Government, likely to be replaced soon.  
The U.S. and Britain are worried about the medium-term prospects for the survival of the Qam-based regime in the light of growing economic discontent and dislocations as well as popular reaction to its Islamic puritanism.  
The Soviet Union is evidently showing increasing interest in Iran's western provinces. Diplomatic sources in Tehran say that Soviet aircraft are flying over Iran by night.  
Agreement has been reached on the supply by the U.S. of fuel products, needed to limit popular discontent next winter. Large-scale food exports are also to continue.  
he drive fully to control the whole country, especially Iranian Kurdistan in the west, might open the whole question of the unity of the country.  
Reports last night said that the Moslem clergy had agreed a cease-fire on all fronts in the Kurdish revolt, according to Kurdish negotiators. The Kurds had had talks with Ayatollah Mahmoud Taleghani, Tehran's spiritual leader.  
Among the tasks that Mehdi Bazargan, the Prime Minister, and the Revolutionary Council are seeking to deal with is to crush armed opposition from the 3m Kurdish minority.  
They also want to eliminate the two main guerrilla organisations not involved in the power apparatus as visible centres of opposition to official policies, and to drive underground the intellectual Left.  
They also plan to install a permanent Government in place of the provisional mandate of Dr. Bazargan, debilitating weak, within five weeks.  
The Tehran Government, instructed by Ayatollah Khomeini and the secret revolutionary executive in Qom to act in a more revolutionary manner, feels highly embattled.

**Shortlist for economic adviser**

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT has decided to look outside Whitehall for a new chief economic adviser. The shortlist includes some of the UK's leading monetary economists.  
Sir Geoffrey Howe, the Chancellor, regards the appointment as of key importance in helping to set a new direction in economic management. It also fits in with a re-examination of the operations of the economic side of the Treasury, particularly the work of the forecasters.  
The frontrunner is Professor Jim Ball, principal of the London Business School. His appointment is favoured by a number of top Treasury officials, partly because of his existing experience, but also reflects Sir Geoffrey's desire to give a new impetus to the Treasury's economic work. Considerable care is being taken to find someone who will command the respect of existing economists.  
There is broad agreement that the Treasury economists are mostly of high quality and their forecasting record is as good as, if not slightly better than, that of outsiders.  
However, some close observers of the Treasury, including some previous Labour Ministers, have argued that the work of its economic side has lacked coherence and direction. It has been suggested that the forecasting model of the economy is too big and too complicated for anyone to produce clear advice.  
On this view it may be desirable for the Treasury's economic side to be slimmer down with fewer people who know more about what is happening.  
This ties in with the general scepticism of the Conservative Ministers about the desirability of basing economic decisions on such forecasts.  
In his Budget speech Sir Geoffrey questioned the "conventional forecasting arithmetic" and the associated assumptions of "neo-Keynesian economists".  
Another, though subsidiary, reason for re-examining the forecasters' work is a general search for economies within the Treasury in order to keep costs within cash limits.

**Patek Philippe.**  
**Hand-crafted.**

In 1839, the founding year of Patek Philippe, finishing a watch entirely by hand was the rule. Today it is the exception. Should rare watches made in this way appeal to you, so will our colour brochure **The 7 Crafts of Patek Philippe.** Please write to: Patek Philippe (U.K.) Ltd., Dept. FTE, P.O. Box 35, Maidenhead, Berkshire SL6 3BQ

Unmistakably Patek Philippe. Golden Ellipse with exclusive 18 ct blue-coloured gold dial.

**PATEK PHILIPPE**  
GENEVE



# Kurdish bid to end fighting

TEHERAN—A group of Iran's embattled Kurds appealed directly to Ayatollah Ruhollah Khomeini yesterday in a move aimed at ending the fighting in the western border region.

In a letter to the Ayatollah, Iran's unofficial head of state, the Islamic Revolutionary Council of the Kurdish capital of Mahabad, claimed he was being misinformed about the situation in the Kurdish areas.

The Teheran Press published the letter as the Council's leader came to Teheran to try to end the fighting which has raged between Government forces and Kurdish guerrillas for the past ten days.

In Mahabad, a spokesman of the banned Kurdish Democratic Party (KDP), which is leading the Kurds' resistance move-

ment, said they approved the Council's initiative.

In the foothills below the mountain stronghold of Mahabad, a column of Government forces yesterday remained poised to launch a drive to recapture the rebel capital, the KDP spokesman said. The troops were apparently waiting for reinforcements, he added.

Abdul Rahman Abassi, the Mahabad Council's head, stressing that the Kurds were "inspired by Khomeini's leadership," asked the Ayatollah not to heed "invented" reports about the Kurds put out by those who wanted to divide the nation.

Kurdish elements in Teheran said Mr. Abassi had arrived in the capital in an attempt to

negotiate a peace, but there has been no word so far from the Government on the possibility of negotiations.

The KDP in Mahabad said yesterday that Kurdish guerrillas were holding on to their defensive positions along the mountain passes barring the road from the north to the town.

The party had received reports indicating the army was moving towards Mahabad from the recently captured town of Saqqez to the south-east, and that Government forces were also massing at Miandoab in the north-east.

More than 1,000 Kurds have been arrested in Saqqez since Islamic Revolutionary guards and troops entered the town at

the weekend, according to the spokesman. Many of the town's inhabitants had fled to the surrounding hills, he added.

The State radio broadcast an ultimatum issued by the 28th infantry division which captured Saqqez, giving the people of the area an ultimatum to hand in their weapons. Those who disobeyed would be severely punished, it added.

AP adds: The new Revolutionary Government of Iran has agreed to allow Condotta d'Acqua, an Italian company, to resume construction of the large port at Bandar Abbas on the Gulf. An official at the company, which is the main contractor for the port facilities, said Iran had only cut planned spending on the project by about 15 per cent to £450m.

## Guerrillas claim 800 Moroccan casualties

POISARIO GUERRILLAS fighting for independence in the former Spanish Sahara claimed yesterday that they had killed nearly 800 Moroccans last week in an attack on the desert outpost of Lebouir in southern Morocco, news agencies report. The Moroccan Government confirmed that the guerrillas surprised the garrison, forcing them to abandon the post for a day. But a Government communiqué said the guerrillas were driven out by a counter-attack.

The guerrillas also claimed to have captured about 60 trucks, 40 Land Rovers, 105 tons of munitions, 370 rifles, 100 pistols and a dozen cannons. They did not reveal their own losses. It was the third attack on Lebouir in the past six weeks.

Yesterday Morocco was preparing a major inquiry into how its troops were routed by the guerrillas.

## French prices rise 1.3 per cent

French consumer prices spurred by a 1.3 per cent last month, the biggest monthly increase for more than a year, writes David White in Paris. The rise, announced by INSEE, the official statistics body, brings the inflation rate for the last 12 months up to 10.3 per cent. The annual rate calculated on the basis of the last three months is 13.5 per cent.

Zaire president Mobutu said negotiations with the International Monetary Fund (IMF) for a loan have been completed, writes Reuter in Paris. He said Zaire had initiated a standby credit agreement with the IMF for \$150m (£87.5m) and Finance Minister Bofessa added that this would be followed by balance of payments aid of \$350m to \$450m from Western countries.

Zaire has devalued its currency, the Zaire, by 25 per cent from yesterday according to Western banking sources in Kinshasa. The devaluation is the fifth in less than a year and is in accordance with recent negotiations between Zaire and the IMF.

## Turkey warns extremists

General Kenan Evren, Chief of Turkey's General Staff, warned feuding political extremists to end their ideological warfare that had cost more than 2,250 lives since 1975, writes AP-DJ in Ankara. The armed forces, he said, were capable of wiping all of them out. Gen. Evren, in a message to the country's 500,000-strong armed forces to mark the anniversary of the start of a decisive assault against invading Greek forces, hinted that the armed forces rank-and-file were getting impatient with the relentless bloodshed that had spread to the remotest parts of Turkey.

**Bosphorus tunnel study**  
THE UNITED STATES Agency for International Development (AID) is to finance a pre-feasibility study on the construction of a railway tunnel under the Bosphorus between the Asian and European sides of Istanbul, writes Merin Munir in Ankara. An agreement between the AID and Turkey is expected to be signed in the next few days, according to a spokesman of the American Embassy.

## Ford Canada strike threat

Workers at Ford Motor Company of Canada plants here and in Windsor and Talbotville, voted in favour of strike action if a new agreement is not reached by September 14, the United Auto Workers Union said, Reuter reports from Oakville.

## Flying Tiger strike

All operations of Flying Tiger Airline, the world's largest air cargo carrier, are at a standstill after a strike by 2,000 freight handlers, cargo agents and mechanics, writes AP-DJ in New York.

## U.S. homes hoard oil

Suspected stockpiling of 1bn gallons of heating oil by U.S. industry and private homes could mean the nation will escape a feared shortage this winter and even face a glut, a Wisconsin Congressman said, reports AP-DJ in Washington. Representative Les Aspin (Democrat, Wisconsin) said a study he conducted suggests that American homes and businesses bought 1bn gallons more fuel last winter than was needed.

## Taiwan prices policy

Economic Planning and Development Council Chairman Yu Kuo-Hua has said that Taiwan's Government still adheres to the policy of price stabilisation according to an economic official, writes AP-DJ in Taipei. He said the policy is intended to cut down the impact of the U.S. recession. The U.S. is Taiwan's largest trading partner. At a recent Cabinet meeting, Yu, also governor of Taiwan's central bank, reported that trade in July continued to grow, while exports in the same month were a record worth \$1.51bn.

# Mondale announces \$2bn U.S. credit for China

BY JOHN HOFFMANN IN PEKING

A STRONG, secure and modernising China would be in the U.S. interest in the coming decade, Mr. Walter Mondale, the American Vice-President, said yesterday.

He was speaking at Peking University to Chinese academics and students. It was the first speech by a U.S. leader to the Chinese people for the past 30 years and was broadcast throughout the country on radio and television. He indicated that the U.S. was firmly committed "to joining you to advance our many parallel strategic and bilateral interests."

In a strong statement of America's attitude towards Asia, the Vice-President told the audience: "Any nation which seeks to weaken or isolate you in world affairs assumes a stance counter to American interests."

"That is why the U.S. normalised relations with your country and that is why we must work to broaden and strengthen our new friendship."

China's modernisation was also in America's economic interest, Mr. Mondale said. He announced that the U.S. was prepared to establish export

import bank credit arrangements for China up to a total of \$2bn (\$200m) over five years. "If the pace of development warrants it, we are prepared to consider additional credit arrangements," he added.

The Carter Administration would also seek this year Congressional authority to encourage American business investment in China by providing guarantees and insurance.

Textile, maritime and civil aviation agreements would be considered in the shortest possible time and he would sign an agreement during his visit confirming that American Government agencies were ready to help develop China's hydro-electric power industry. Mr. Mondale reassured the Chinese that the Sino-American trade agreements outlined earlier this year would be submitted to Congress for approval before the end of the year. It had been reported that China was uneasy about the delay in ratification of the agreement, which will extend "most-favoured nation" status to it.

The Vice-President emphasised the strategic importance of the Sino-American relationship.

"Above all, both our political interests are served by your growing strength in air fields for it helps deter others who might seek to impose themselves on you," he said.

"Today the unprecedented and friendly relations among China, Japan and the United States bring international stability to north-east Asia."

In a sense, we are testing whether a developed nation and a developing nation, each with different traditions, can build a broad, enduring, constructive relationship.

"Certainly, there will be serious barriers to overcome. But if we can work together, future generations will thank us. If we fail, not only will our children regret the entire world will feel the consequences."

Reuter adds from Peking: Mr. Mondale yesterday began formal talks with senior Chinese Vice-Premier Deng Xiaoping, Premier Zhao Ziyang, and the Chinese Foreign Minister Qiao

## Israeli gunners 'break ceasefire'

BEIRUT — Israeli gunners broke South Lebanon's day-old ceasefire yesterday, with a shell attack on suburbs of the port city of Tyre, Beirut's State-run radio said.

The decision to hold the special Cabinet session was taken during a regular cabinet meeting. Mr. Moshe Dayan, Foreign Minister, proposed the session in the light of foreign criticism of Israeli actions.

In April this year, Israel altered its policy from one of retaliation for Palestinian attacks on Israel to a policy of hitting guerrilla bases.

Mr. Dayan is reported to have told the Cabinet that Israel should review the effectiveness of the preemptive strike policy.

Israel should evaluate the damage which the guerrillas are sustaining, he added.

The key to these second thoughts appears to be the damage being done to Israel's image abroad by the civilian casualties of the Israeli attacks. These deaths have caused much worry within Israel.

AP adds: President Hafiz Assad of Syria conferred in Damascus yesterday with Herr Genscher, German Foreign Minister, who is exploring chances for the Bonn Government to contribute to Middle East peace.

The meeting was attended by Mr. Abdul Halim Khaddam, Syrian Foreign Minister, who held talks with Herr Genscher earlier in the day. The German Foreign Minister is due to proceed to Lebanon this morning for talks with Mr. Fuad Shuaib, Lebanese Foreign Minister.

## U.S. grants car emission relief

BY JOHN WYLES IN NEW YORK

CHRYSLER and American Motors are among five automobile manufacturers which have won relief from U.S. federal government standards governing carbon monoxide emissions.

BL won exemption for two engines, a V12 unit installed in its Jaguar XJ 12 and XJ 5 and a V8 for its Rover 3500; to be sold here shortly and for the new TR8 to be unveiled later this year.

By allowing the manufacturers a two-year delay in meeting regulations affecting some 1981 model engines, the Environmental Protection

Agency is extending some use of the U.S.'s two weakest engines, representing just under half of the units the company has exported to the U.S. in 1981 and 1982 model years, and the company will now be spared some development costs that would otherwise have been unavoidable.

Specifically, the exemptions will allow the manufacturers to continue selling engines that emit seven grams of carbon monoxide per mile, a standard that goes into effect for 1980 model engines—rather than the 3.4 grams of carbon monoxide originally scheduled.

However, the three engines represent just under half of the units the company has exported to the U.S. in 1981 and 1982 model years, and the company will now be spared some development costs that would otherwise have been unavoidable.

Specifically, the exemptions will allow the manufacturers to continue selling engines that emit seven grams of carbon monoxide per mile, a standard that goes into effect for 1980 model engines—rather than the 3.4 grams of carbon monoxide originally scheduled.

## BP suspends long-term oil supplies for Japan

BY RICHARD HANSON IN TOKYO

BRITISH PETROLEUM has informed its customers in Japan that it will suspend all oil supplies under long-term oil contracts from September 1 because of shortages caused by Nigeria's takeover of BP properties.

The decision to suspend supplies to third party customers was expected and follows successive reductions since the beginning of the year as a result of the crisis in Iran.

BP has long-term contracts to supply about 400,000 barrels of crude a day, but this was cut by 65 per cent for the April-June quarter, by 65 per cent in July, and by 78 per cent this month after the July takeover by Nigeria.

Before the Iranian disruption BP supplied about 8 per cent of Japan's crude imports.

The cutback by BP throughout the world to third party customers comes at a time when the Japanese Government has been emphasising some improvement in short-term oil imports.

During the first four months of the fiscal year which started in April imports are running at about 9.1 per cent ahead of last year, slightly below the Government's planned 9.3 per cent increase.

Officials are much less willing to speculate what will happen from September, however, as Japan enters a period of rising demand.

## Smith's Party 'regrets' Rhodesian name change

SALISBURY—Mr. Ian Smith's Rhodesian Front has expressed regret at the Zimbabwe Rhodesia cabinet decision to drop "Rhodesia" from the country's name but said it was "inevitable anyway."

Mr. John Landau, the Rhodesian Front chief whip in Parliament, said the necessary Bill to change the country's name to Zimbabwe would go through without difficulty.

According to Bishop Muzorewa, the Prime Minister, the legislation is already being drawn up and the Bill may come before Parliament this week.

The announcement, which was made at an amnesty meeting attended by some 400 blacks and addressed by Bishop Muzorewa at Fort Victoria on Saturday, was loudly cheered.

It was the third "massacre" reported by security forces within four days.

Mr. Robert Mugabe, co-leader of the guerrilla force, the Patriotic Front of Zimbabwe, said in Belgrade at the weekend and he hoped his group would receive more aid from members of the group of non-aligned nations.

Mr. Mugabe said such help could come at the non-aligned summit meeting convening this week in Havana.

Mr. Mugabe reiterated his rejection of a British proposal for new elections in Zimbabwe, and said: "We are the decolonising factor in Zimbabwe which the British plan ignores."

## Mrs. Gandhi faces new threat

By K. K. Sharma in New Delhi

THE CHARAN SINGH Government's decision not to disband the special courts now trying Mrs. Indira Gandhi and her supporters on various charges arising out of her emergency rule, could threaten the former Prime Minister's political future.

If the courts act fast enough and the prosecution successfully proves even one of the cases against Mrs. Gandhi, she will not be able to stand for election to the Lok Sabha (Lower House) when polling is held in mid-December.

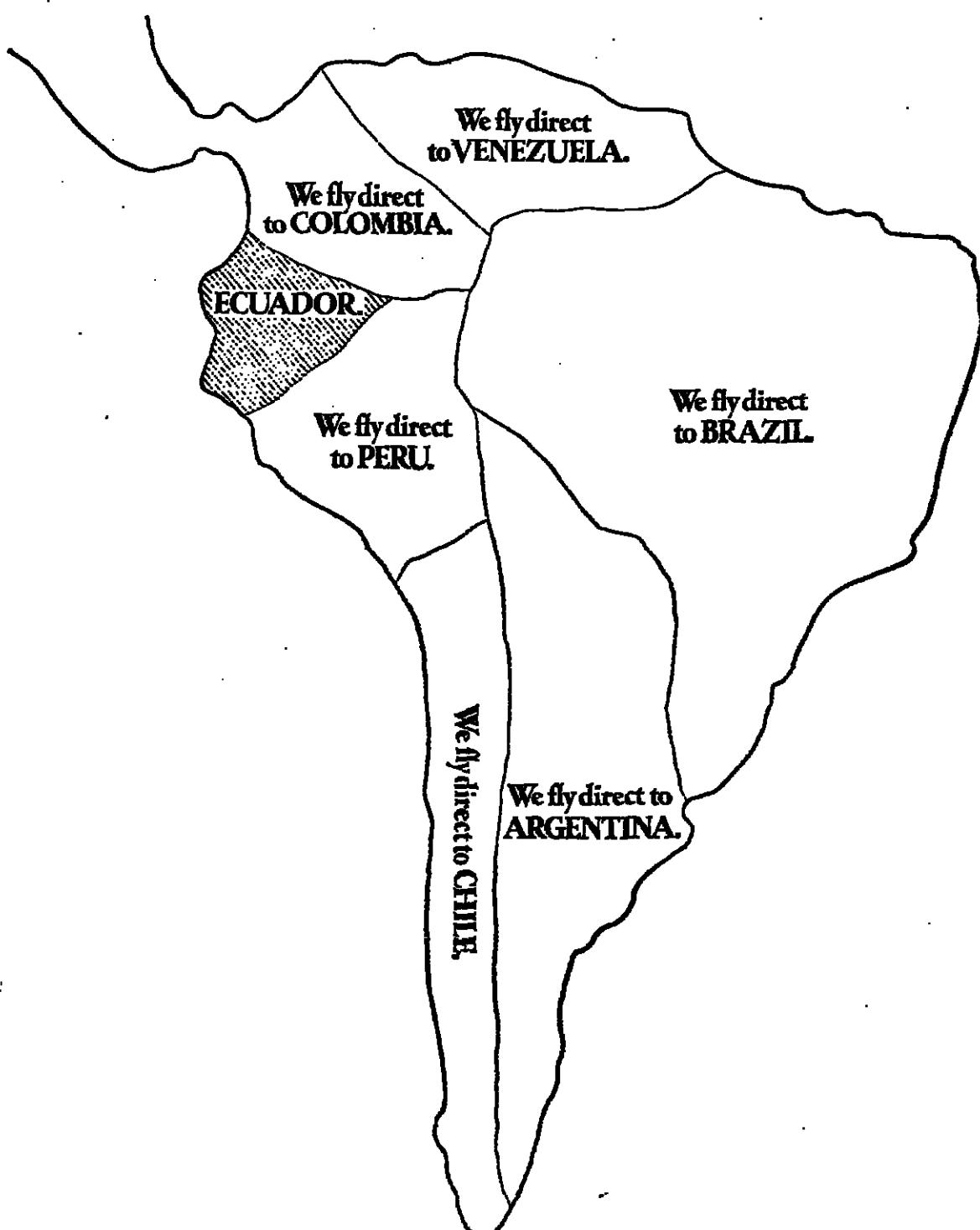
Under Indian election law, no person convicted of a criminal offence, no matter how minor, can contest elections for any legislature.

There are still more than three months to go before the elections are held. The special courts were set up by the Janata Government to try Mrs. Gandhi and those accused of emergency "excesses" speedily so that the normal delays in the Indian judicial system are bypassed.

The first verdict could come in the next seven or eight weeks. If it goes against Mrs. Gandhi, it could have a far-reaching impact on Indian politics. Mrs. Gandhi again dominates the political scene, but if she is eliminated, there is little future for her faction, the sole reason for whose existence is to make her Prime Minister again.

India has suddenly run off contracted supplies of crude oil to India without giving any reason. Observers believe Col. Gaddafi has done so for political considerations, but so far they have not been able to find out why. India has consistently supported the Arabs' cause.

The cutting off of supplies has seriously affected India's crude import plans. Under a contract signed earlier this year, Libya agreed to supply 2.3m tonnes of crude to India of which 1m was to be delivered this year and the remainder next. So far, only 300,000 tonnes have arrived.



## Guess how we're going to fly to Ecuador.

As well as flying direct to all these countries in South America, British Caledonian is introducing the only direct service from London to Guayaquil, Ecuador.

Starting August 28th, departures will leave Gatwick on Tuesdays at 10.30 am. Flights go through Caracas without changing plane and call at Quito on their return.

**British Caledonian**  
We never forget you have a choice.

For details and for flights to Lima, Bogota, Caracas, Recife, Rio, São Paulo, Buenos Aires, and Santiago, see your travel agent or local British Caledonian office.



## Oman may go ahead with major industrial projects

BY JAMES BUXTON

OMAN IS to increase Government spending and is considering implementing two big industrial projects as a result of this year's oil price rise and new discoveries of oil.

The planning of a small oil refinery to be built near Muscat, the capital, will be completed by the end of 1979, according to the Ministry of Petroleum and Minerals. It would have a capacity of 25,000 b/d and would be designed to meet local consumption.

The Government has also commissioned a feasibility study for an iron and steel complex from Dastur Engineering International of Düsseldorf, West Germany. It would initially be a re-rolling mill with a capacity

of 120,000 tons a year, but a study of a direct reduction steel plant will also be made.

The Government is to increase its development spending by 7.5 per cent next year, while its recurrent spending will rise by 5 per cent, the budget director says. The Government employees' pay by 10 per cent this year and is thinking of paying them increased allowances.

Until earlier this year Oman was trying to impose curbs on spending in order to reduce the budget deficit, estimated this year at RO 108m (£138m) against total spending of RO 760m.

But the State's cash flow has been greatly improved by the 40 per cent increase in the price of its oil imposed in the course of this year and this has enhanced the commercial viability of a number of recent small oil discoveries.

Though Oman's modest oil output of about 300,000 b/d is 5 per cent down on last year, the decline should now be arrested and the sole oil producer, Petroleum Development Oman, which is managed by Shell, expects to be producing 350,000 b/d from 1981 until at least 1983-84.

In addition Elf-Aquitaine expects to be producing 12,000 b/d from a new find by the end of next year.

## IMF team in Kampala for talks

By John Worrall in Nairobi

THE FINANCING of Uganda's urgent import needs is one of the top priorities being considered by an International Monetary Fund delegation which has arrived in Kampala.

According to the Commonwealth Secretariat's economic report Uganda needs some £300m in hard currency over the next six months to finance essential imports, including consumer goods, petroleum products, agricultural and manufacturing inputs, transport equipment and spare parts, water, sewerage, telecommunications and housing.

The delegation has had talks with the Minister of Finance, Mr. Jack Ssentongo, the Governor of the Bank of Uganda and other ministers and officials.

The IMF delegation is studying Uganda's economic management policies before agreeing to release special credits on this scale.

## POLISH TRADE

## Need for new export strategy

BY CHRISTOPHER BOBINSKI IN WARSAW

DESPITE the improvement in the first half of this year Poland's hard currency export performance is running behind plan targets. This adds all the more urgency to the debate on the country's trading future which will heat up as the next party Congress, due to meet early next year, grows nearer.

The Congress, the eighth since the war, will not only be looking at the economic successes and failures of the years since the last Congress in 1975 but will also approve decisions determining policies for the next decade and beyond.

The economic strategy initiated in 1970 foresaw industrial modernisation and growth financed by foreign credit followed by a period of slower growth accompanied by debt repayments from exports of the newly built plants.

By the end of 1978 Poland's hard currency debt had reached \$15bn and it is becoming increasingly clear that exports are not reaching the levels that planners had earlier envisaged.

Poland's current plan envisages a 9 per cent growth in overall trade, trade with Comecon countries achieving a slightly larger increase than trade with hard currency areas.

Indeed in a recent article in a party journal Mr. J. Olszewski, the Foreign Trade Minister, admitted as much. Export growth, he wrote, was inadequate not only in relation to Poland's balance of payments needs but also to the country's industrial potential. Despite the investments of recent years "our economy has not yet developed any clear export features" and the 15 per cent share of industrial production which was exported in 1978 "was not much higher than at the beginning of the 1970s," he said.

According to the Minister the recession in the West and protectionist barriers are only partly to blame for this situation. Other factors include sub-standard production quality, late delivery of goods, a lack of spare parts and after-sales service and simply a shortage of goods for export due to the high level of domestic demand.

In the article, which partly aims at deflecting any blame which might be coming the Ministry's way for the below plan performance in exports on to industry and away from the salesmen, the Minister also explained that investments are taking too long to come on stream and shortages of raw materials and equipment are holding back export production.

But the debate is also concerned with the problem of which areas investment should be directed at to maximise export earnings in the 1980s. So far there seems to be agreement that money should be spent on those areas which have benefited most so far and on opening up new export "specialties."

One of the favourites for future investment is the electrical engineering industry—a wide category which ranges

from minicomputers to ships through cars and mobile cranes. The industry received the largest injection of foreign capital in the 1970s and its share in Poland's exports has risen from 41.7 per cent in 1970 to 47 per cent by last year.

The sections which are being mentioned as good prospects include ships and car sales to Comecon, construction machinery, some machine tools and tractors.

But whichever sector is chosen there are also warnings that the decisions should be less hasty than those taken in the 1970s and that more attention should be paid to future marketing prospects for any goods which may eventually be produced.

There is also a common call for reforms in the management of foreign trade and for increased incentives for producers of export goods.

Mr. Alexander Jung, the head of Metalexport, Poland's machine tool exporting company, writing in the "foreign

trade" monthly broadens the debate. He argues for a decentralised state sales network with the foreign trading organisations being given the powers to initiate production of goods which they know they can then sell abroad.

He also warns that any attempt at substantially reducing Poland's external debt will lead to a slowdown in growth—a drop in real incomes and also a return to autarkic policies. And he draws attention to the consequences of the fact that Poland is destined to trade with the world outside as well as inside Comecon in the foreseeable future.

The system of domestic prices and exchange rates would have to be changed so that they reflect real values, so that decision makers have an indication of what does and does not pay.

Competition on the world market might also lead to the closure of some sections of industry and Mr. Jung gives some sectors of the textile industry as an example. He stresses that "uneconomic production cannot be effectively upheld" despite subsidies.

Policies towards the EEC, the North South Dialogue as well as IMF and World Bank membership should be re-examined within the framework of Comecon, as should the lack of progress towards multilateral payments among the Comecon countries.

But despite his arguments for giving a freer hand to Poland's exporters Mr. Jung does not exclude the possibility that the country's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

Poland's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

## UK to buy ships from Rio yards

BY OUR FOREIGN STAFF

THE COMPANHIA Commercial de Navegacao Maua shipyards in Rio de Janeiro has signed a \$62.2m (£27m) contract for the export of three 26,500 dwt cargo vessels to the UK.

The vessels are for the Lyle Motorship Company, and H. Hogarth and Sons of Scotland. The first ship is to be handed over in September, since they were originally being built for the Brazilian domestic market, destined for three subsidiaries of Lloyd Brasileiro in the states of Minas Gerais, Ceara and Sergipe, and are thus in a state of semi-completion already.

Meanwhile, the Brazilian merchant marine superintendent, Suranman, has announced that, in 1980 Cr13.8bn (\$517m) is to be allocated to shipbuilding incentives.

This is a 41 per cent increase on the 1979 budget. Brazil is rapidly building up its domestic fleet and moving on to the vessel export market, in order to reverse its longstanding tradition of vessel imports and charters.

● The Brazilian State Electricity company Electrobras has signed two contracts with the Bank of Tokyo for a total sum of Y20bn (\$100m). Rick Turner writes from Sao Paulo.

The first contract is for a loan of \$50bn with a repayment period of 15 years, with the Bank of Tokyo at the head of a syndicate of six Japanese banks.

The other contract is for \$50m from Nomura Securities, with 10 years to repay and fixed interest of 8.5 per cent per annum, a loan which was to have been made in June but was postponed until after the results of the last OPEC meeting were known.

Electrobras owes \$6.1bn to foreign banks this year, representing 12 per cent of the country's foreign debt (\$50bn).

Since the company has major projects such as Itaipu and Tucuruí hydroelectric power stations still unfinished, it has little choice but to keep on borrowing heavily. This year the company is hoping to borrow a total of \$900m.

● Braspetro, the Brazilian state company which drills for petroleum outside Brazilian territory, is to withdraw from the Colombian Colbras projects.

Its 50 per cent share of the company has been sold to the U.S. company Houston Oil and Minerals for \$28m, together with a further 45 per cent of Colbras shares, for \$27m, previously in the hands of Colombian oil companies.

Explaining Braspetro's motives for pulling out of Colbras, the company's director, Jaco de Miranda, said that they were two-fold: Firstly, no petroleum could be expected to Brazil, on the insistence of Colombia, and secondly, the petroleum was sold to the Colombian state oil concern Ecopetrol at an artificially low price.

The Colbras field, in the valley of the Magdalena River in Colombia, was opened in the mid-1970s and entered production in 1977. Its total output in 1978 was 0.68m barrels, an average of some 13,000 barrels daily.

## Nigeria, India in paper project

NEW DELHI—The Indian concern Birla will help Nigeria set up a 2bn rupee (\$111m) paper project, United News of India (UNI) reported.

The projected paper and pulp mill will have an annual capacity of 60,000 tonnes of paper and 100,000 tonnes of pulp, UNI said.

Under the five-year contract with the Nigerian Government, Birla will provide expertise for the establishment and operation of the complex, the second to be set up in Nigeria with Birla's help.

● An export order worth \$250,000 has been won by Powell Duffryn Engineering for container handling units to be used for transporting waste in Ghana. Shipments will start in October.

## Sweden considers leasing plan

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

A SWEDISH Government shipping commission has recommended the formation of a State leasing company with a share capital of SKr 600m (£64m) to buy and lease ships to Swedish companies.

It would be able to place orders for new vessels either at Swedish or at foreign yards or take over existing vessels from Swedish companies.

Svenska Varv, the State shipbuilding group, owns or has part shares in over 50 vessels, on most of which its customers have not been able to meet payments. The Riksdag (Parliament) has ordered it to dispose of these ships by 1982.

The leasing company proposal is part of a SKr 2.6bn package designed to reinforce the Swedish merchant navy. Since 1975, when the world shipping crisis hit, Swedish shipowners have sold some 180 tankers and bulk carriers of roughly 10m deadweight tons.

Other items in the commission's package are a SKr 1.75bn expansion of the existing credit guarantee system, a scheme to help companies meet interest payments on loans and new state loans to meet operating costs among the smaller shipping companies.

The commission sees promise

ing prospects for Swedish shipping in the longer term, but only if the merchant fleet can be renovated.

The shipping companies, which have been making heavy losses over the past three or four years and have seen the value of their assets shrink, are in no position to make the necessary investments in the kind of new vessels.

The combination of a leasing company with State aid for company interest payments will, it is hoped, help solve this problem and prevent the sale abroad of more vessels by companies running into cash difficulties.

The Government to be formed after the September general election is expected to present a Parliamentary Bill incorporating the commission's recommendations later this year.

The commission also suggests that state subsidies for crews' home journeys to Sweden should be continued and that a guarantee be given of no increase in the contributions payable by the shipping companies for crews' State pensions for the next four years.

These and other measures are intended to prevent shipowners switching their vessels to other flags.

## World Economic Indicators

### TRADE STATISTICS

		July '79	June '79	May '79	July '78
UK £ bn	Exports	3.4	3.4	2.5	3.0
	Imports	3.6	3.8	3.5	3.2
	Balance	-0.2	-0.4	-1.0	-0.2
France Frs bn	Exports	36,919	34,846	35,202	30,757
	Imports	37,883	35,987	36,425	29,852
	Balance	-964	-1,141	-1,223	-1,095
U.S. \$ bn	Exports	15,026	15,862	13,863	12,126
	Imports	16,937	16,342	17,053	13,723
	Balance	-1,899	-2,480	-3,170	-1,702
Japan \$ bn	Exports	8,510	8,133	7,810	7,954
	Imports	7,400	8,080	7,300	5,019
	Balance	1,110	+0,053	+0,510	2,935
Holland Fls bn	Exports	10,902	10,783	10,039	9,189
	Imports	11,357	11,609	10,288	9,516
	Balance	-455	-826	-1,249	-327
W. Germany DM bn	Exports	25.7	26.9	25.9	25.6
	Imports	24.0	24.9	22.6	21.7
	Balance	+1.7	+2.0	+3.3	+3.9
Italy Lire bn	Exports	5,008	4,371	4,648	3,996
	Imports	5,717	6,306	5,384	4,293
	Balance	-709	+1,935	-736	-297
Belgium Frs bn	Exports	143,758	126,227	117,881	125,521
	Imports	148,050	128,160	114,648	133,051
	Balance	-4,292	-1,933	+3,233	-7,530

**HIRE AIR CONDITIONING**  
Offices, Shops, Restaurants, Factories  
ANDREWS & CO  
01-643 6174  
OR SEE YELLOW PAGES

**CENTRO DI FIRENZE**  
PER LA MODA ITALIANA

presents



**PITTI-UOMO**  
FLORENCE

13-17 September 1979

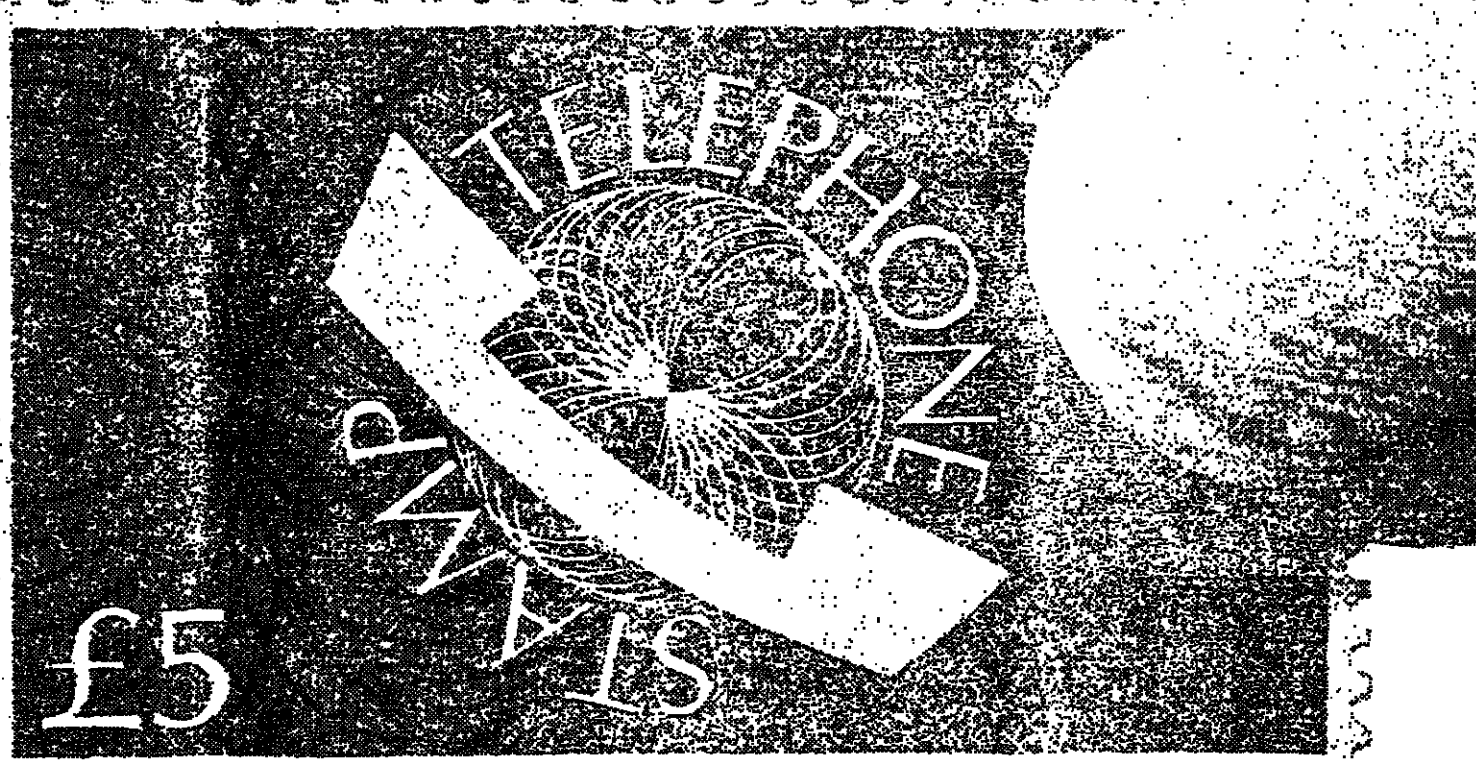
PALAZZO DEGLI AFFARI-PALAZZO DEI CONGRESSI

OFFICIAL COLLECTIONS  
OF MEN'S FASHION-CREATION  
SPRING-SUMMER 1980

Admission by invitation is strictly reserved for buyers and the press.

For information, programmes and list of exhibitors:  
Centro di Firenze per la Moda Italiana  
109/111, Via Panzani - 50123 Firenze (Italy) - Tel (055) 219331/2/3

# A few of these could fill the bill.



Buy our new £5 telephone stamps regularly from your local Post Office and you could save enough for your next bill before it arrives. Or if you prefer you can still save with our £1 stamps.

**Post Office Telecommunications**



# Civil Service cuts approved

FINANCIAL TIMES REPORTER

CIVIL SERVICE Department Ministers, at the centre of the Government's Civil Service staff cost review, have approved a range of options for scaling down the Department's own manpower expenditure by between 10 and 20 per cent.

The Department has overall responsibility for co-ordination and management of the Civil Service. In common with other departments, it has submitted to the Cabinet a list of proposals based on reducing Civil Service expenditure by 10, 15 or 20 per cent by April, 1982.

The list was prepared by CSD officials, and approved by Lord Soames, Lord President of the Council and the Minister in day-to-day charge of the Civil Service. The options include scaling down managerial functions, relaxing controls over pay in outside bodies, and reducing spending on recruitment.

Within the 10 per cent option, a saving of £24,000 could be achieved by moving from weekly to monthly pay cheques. At the 20 per cent level, options include making recruitment less efficient, saving

£118,000; giving up control over Armed Forces' pay, saving £16,000; and cutting personnel management and training.

A separate list details the effects of similar cuts on the Central Computer Agency. Allowing other departments to buy their own computer equipment and reducing studies of technical problems and systems design would make up the bulk of the Agency's savings.

Twenty per cent cuts in the Civil Service Department and the Central Computer Agency would save a total of £5,051m, although it is thought highly unlikely that the maximum cuts of £551,000 would be imposed on the Computer Agency.

The CSD document, in common with those prepared by other departments, is being studied by the Civil Service unions in preparation for a meeting between the national staff side and Lord Soames on September 11.

After the meeting, Lord Soames is expected to take a recommended package covering

all departments to the Cabinet for approval. Cabinet discussions are expected to stretch over several meetings before final details emerge, perhaps in early October.

The Cabinet is likely to approve a "flexible" approach to the cuts—rather than impose a uniform cut on staff spending throughout all departments. This approach would be aimed at resolving differences between departments over the appropriate level of cuts while still reducing public expenditure in

real terms by April, 1982. Current spending on Civil Service wages and salaries is about £3,640m a year. A 20 per cent cut programme would imply the loss of about 150,000 jobs over the two years to April, 1982.

It is likely that the Government will adopt a policy involving only a few compulsory redundancies, taking advantage of natural wastage rates of about 8 per cent a year to make up the majority of the job savings.

## Hoover plans to cut Merthyr workforce

BY ROBIN REEVES, WELSH CORRESPONDENT

MAJOR REDUNDANCIES at Hoover's Merthyr Tydfil washing machine factory, South Wales, the biggest in Europe, are to be discussed at a special meeting of management and unions tomorrow morning.

A letter describing the factory's situation as "extremely serious" was sent to 2,500 production workers at the weekend. It said that the company planned to transfer manufacture of export washing machines to another company, probably on the Continent, with loss of certain 700, perhaps 1,200 jobs at the plant, which has 4,250 workers.

It would shelve indefinitely launch of a new range of automatic washing machines planned for next month, and suspend, with effect from next Monday, the factory's generous sick-pay scheme in a bid to cut down absenteeism, which has been as high as 20 per cent.

The immediate objective is to end an eleven-week work-to-rule by the production workers, dissatisfied with the terms of a pay deal. An offer of a £10-a-week bonus for nine weeks in exchange for normal working was rejected by the men last week despite a union recommendation to accept.

But the announced cuts have been accompanied by accusations from a management spokesman that employees are "work-shy," and indications that even more drastic reductions in Hoover's Merthyr operations are under active consideration.

They may affect employment at the company's Cambuslang factory in Scotland, which makes electric motors for all Hoover domestic appliances made in the UK.

Besides labour troubles Hoover has suffered from sterling's firmness. This was largely blamed for the UK company's £1.8m loss after tax reported earlier this month, compared with a £2.7m profit a year ago.

Export production will be phased out at Merthyr "as soon as the commercial and styling arrangements have been completed." If the move proved "economical," the arrangement could be extended to machines marketed in the UK under the Hoover label already made by other companies abroad, including refrigerators in Italy, dishwashers in West Germany and deep-freezers in Denmark.

The latest planned redundancies are another serious blow to employment prospects at Merthyr, where Hoover is the dominant employer in a valleys town with very limited employment opportunities.

Only just over two years ago Hoover announced a pension scheme at Merthyr, for which the Welsh Development Agency is building an £11m factory next door, which promised a rise from 5,500 to 8,000 jobs by the early 1980s. This has long been postponed indefinitely.

## Grocery prices fall for second month

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A FURTHER sharp fall in the cost of fresh fruit and vegetables has led to the second successive monthly fall in the Financial Times grocery price index.

The index for August stands at 114.16, a decline of only 0.63 percentage points over the month.

Apart from the fall for fresh fruit and vegetables, the results for processed foods showed little change. That highlights the continuing determination of all types of grocery retailers to keep prices competitive.

The FT shopping basket is based on data collected by 25 shoppers who monitor a list of 100 grocery items each month in the same food stores of all types and sizes throughout the UK. It is not an absolute guide to food price movements, but is intended to act as an early indicator of trends in food prices.

That is especially relevant now that most Government food price surveys, apart from the main retail price index, have been abandoned in Whitehall economy drives.

Fresh fruit and vegetables in the basket fell in cost from £245.61 in July to £220.98 in August. The main cause of the fall in prices, according to FT shoppers, was cheaper tomatoes and cauliflowers.

Tomatoes were generally 10p a pound cheaper and cost 25p a pound in many shops. Cauliflowers were also about 10p cheaper each, and cost about 20p each.

Although the prices of fresh fruit and vegetables generally came down in summer, one FT shopper this month suggests that in her area the supermarkets are cutting prices more than normal to remain competitive with small shops.

Meat was also slightly cheaper in general this month, with the cost of the meat section of the basket down from £392.69 to £389.54. This is due mainly to

more beef and lamb coming on to the market.

FT shoppers found that top-side beef was selling at £1.68 a pound, while lamb was about £1.90 a pound. Sausages and bacon were a little dearer.

Dairy produce was more expensive this month, which largely reflects the higher butter price caused by the switch to larger metric packs.

These appear to have led to shoppers paying 4p a pound more for butter.

Cereals were dearer because of industrial disputes at some manufacturers, which led to higher demand for cereals still being supplied.

Frozen foods were generally cheaper, mainly in the case of the FT shopping basket, because of cheaper frozen chickens.

It seems likely that the grocery index will begin to creep up again next month as fruit and vegetables become more expensive. But it is also expected that the big supermarket multiples will by then have started their traditional autumn promotional offensive.

Tesco and J. Sainsbury are still the dominant multiples, accounting for nearly a quarter of the market between them. Both are expected to launch a new advertising campaign emphasising the cheapness of selected items and the overall competitive prices.

There seems little prospect, therefore, of an end to the price war for most packaged groceries. However, the effect of the EEC and world markets will largely determine the fluctuations in dairy products and meat over the coming months.

The FT grocery price index is copyright and may not be reproduced or used in any way without consent. All inquiries should be made to Lucinda Wetherall at the Financial Times.

### FINANCIAL TIMES SHOPPING BASKET

	AUGUST, 1979	July
Dairy produce	557.32	551.40
Sugar, tea, coffee, soft drinks	178.93	176.77
Bread, flour and cereals	261.42	260.24
Preserves and dry groceries	96.50	96.45
Sauces and pickles	43.87	43.43
Canned goods	168.29	166.65
Frozen foods	202.34	204.74
Meat, bacon, etc. (fresh)	489.54	492.68
Fruit and vegetables	220.98	245.61
Non-foods	206.21	201.86
Total	2,426.42	2,439.83

Index for August: 114.16

1978: March 100; April 101.77; May 103.11; June 104.13; July 102.41; August 101.89; September 101.90; October 101.77; November 103.67; December 105.10.

1979: January 108.54; February 108.65; March 109.12; April 110.88; May 113.59; June 116.02; July 114.79; August 114.16.

## Shop staff seek big Christmas break

By Our Consumer Affairs Correspondent

WITH 100 shopping days until Christmas, the shopworkers' union is negotiating for a four-day break for shop staff over the holiday.

The Union of Shop Distributive and Allied Workers, which has 1m members, has submitted a claim to major retail groups that stores should be shut after trading on Saturday December 22 and re-open four days later on Thursday, December 27.

The union said that Debenhams had already agreed to its claim. Debenhams yesterday confirmed that its Oxford Street store would be shut for four days over Christmas.

According to USDAW, a four-day holiday over Christmas had been achieved in several stores last year. Many Oxford Street retailers, in particular, had shut for four days.

The union believed that its claim for a similar break this year was justified by the longer holiday over Christmas given by many companies to their workers, lasting for up to two weeks in some cases.

## European building societies to meet

By Michael Cassell

THE SIXTH European congress of building societies is to be held in London from September 24 to 28.

Members of the European Federation of Building Societies will be attending the conference. These comprise almost exclusively the specialist institutions which attract private funds to finance house purchase.

Speakers at the conference, which will be hosted by the Building Societies Association, will include Mr. Roy Jenkins, President of the EEC Commission, Mr. John Biffen, chief secretary to the Treasury and Mr. Leo Tindemann, former Belgian Prime Minister.

The conference is the first to be held in the UK. It comes as British building societies are beginning to formulate plans for their expansion into Europe. So far, only the Abbey National has established itself on the Continent, with a representative office in Brussels. The movement, however, faces substantial difficulties before any full-scale European operation can get underway.

Building societies have no powers to operate their traditional business outside the UK. The law limits their lending on freehold and leasehold land to this country and legislative changes will be essential before any move in the Continent.

Societies also face the further problems of exchange rates and currency movements, and must decide whether or not borrowers should be expected to bear any resulting losses.

An appraisal of each European market would also be necessary.

The societies have stressed that foreign operations would be self-financing. There would be no question of money raised in the UK going to finance house purchase abroad. However, it was entirely possible that finance raised overseas might be remitted to the UK.

## Microprocessor controls for 24 Coal Board pits

BY DAVID FISHLOCK, SCIENCE EDITOR

THE NATIONAL Coal Board is to equip 24 pits with microprocessor control systems developed at one of its research centres, at a cost approaching £10m.

These pits will be operated from a central control station on the surface, through a network of microprocessors managing coal clearance, coal preparation, monitoring of mine ventilation, and other major underground activities.

MINOS—the NCB's mine operating system—is believed to be the most advanced electronic system of mine control in the world.

The development team says that MINOS could lead to a dramatic improvement in mine productivity, of the kind the industry enjoyed when it introduced the Anderton coal shearer in the 1960s.

It could lead eventually to almost completely automated coalmining, in which the main tasks of the underground workers would be repair and maintenance.

Piecemeal demonstrations of MINOS have been operating at eight British pits for up to two years, to prove the reliability of the computer programs and

sensors developed by the NCB's Mining Research and Development Establishment at Bretby.

All use a standard mini computer, peripherals and software, and all conform to the same standards of safety, reliability and performance.

In developing MINOS the researchers have been acutely aware of past NCB failures with the automation of mines. The most spectacular failure, in the late 1960s, was the highly automated Bevelton pit, where neither the electronics nor the geology proved reliable enough.

### Main testbed

Instead of attempting another demonstration of a completely automated mine, the NCB selected different pits to test specific facets of MINOS.

At Bagworth colliery, the main testbed of the Bretby research team, MINOS has gradually taken over control of 27 items of underground plant—21 conveyor belts, two bunkers, two vibrators and two pumps.

Coal transfer points are fully automated, and the computer

monitors them several times a minute, round the clock. Any fault it may find is displayed on a central control console at the surface, and the operator relays the news back to miners underground.

A microprocessor-based scheme for controlling coal clearance costs about £350,000 to install, Bretby estimates. A similar scheme to automate environmental control on three faces would cost about £250,000.

The most difficult challenge for Bretby, however, is to apply MINOS to the coal-cutting operation itself. In effect it means equipping the massive Anderton Shearer—the latest version of which draws 300 kilowatts of power—with inertial guidance so that it knows where it is and where it is going in the coal seam. It will also require a "radar" to warn it in plenty of time if there is anything but coal ahead.

Bretby collaborates closely with the German coalmining research centre, Steinkohlebergbauverein, and also receives grants from the European Coal and Steel Community totalling £4.25m last year.

## UDA denies that its members are in Protestant death groups

BY STEWART DALBY IN BELFAST

THE ULSTER Defence Association has angrily denied that any of its members form part of new Protestant paramilitary killing squads.

Its denial comes after newspaper reports, two British, one Irish, that new Protestant paramilitary groups have been involved in killing and injuring alleged Republican leaders.

The suggestion that a new group running these squads exists stemmed from reports by three journalists who said that they were taken behind a security wall to meet seven hooded Protestant paramilitary fighters and were shown weapons.

The group refused to give its name but said that it formed a new organisation divided into a cell system. It said that its members were drawn from the three main "loyalist" paramilitary groups, the Ulster Defence Association, the Ulster Volunteer Force and Red Hand Commando. Most of these groups have observed a ceasefire for two years.

The UDA is a legal organisation which in recent months has been concentrating on political activities. Four months ago it produced a blueprint entitled Beyond the Religious Divide, which called for an independent Ulster.

The men who spoke to the journalists said that their group wanted the Government to recognise that a war existed. The group demanded a referendum on independence, and warned the Provisional IRA and the Irish National Liberation Army that by killing 75-year-old Protestant men on their way to work, by blowing to pieces Christian men in their cars, and by burning pensioners out of their old people's homes, you can only serve to incite the loyalist paramilitary to arms once again.

The reporters said that they were shown detailed intelligence about the six alleged Republicans, including close

physical descriptions and habitual movements. Police sources were said to have acknowledged that four of the fighters were substantially correct.

Although the UDA has vigorously denied the charge, its members are party to a new group, the UDA itself, threatened a switch in emphasis towards paramilitary activity. That followed a public show of strength by the Provisional IRA on August 12.

The UDA said yesterday that the warning was meant as a safety valve. It agreed that the new squads probably existed and said that they must have timed their announcement to coincide with the UDA's warning.

Police said that they could not confirm that leading Republican leaders had been killed by Protestant paramilitary fighters were responsible. They said that the newspaper allegations would be thoroughly investigated.

### Emphasis

The reporters said that they were shown detailed intelligence about the six alleged Republicans, including close

## Shipping market turns healthier

THE IMPROVEMENT in the world shipping market brought the volume of shipping idle at the end of July to its lowest level since June, 1975, according to General Council of British Shipping figures published today.

However, the UK continued to have a higher proportion of its fleet laid up than the average for the world's shipping nations.

Britain had 24 vessels, totalling 2,23m dwt idle, or 5 per cent of its merchant tonnage. That compared with the world's total of 487 ships, at 17.61m dwt, or 3 per cent of its fleet.

Britain also had a greater proportion—8 per cent—of its oil tanker fleet idle: double the world total of 4 per cent. More than 2m dwt of tankers and 119,000 dwt of dry cargo vessels were not working in the UK.

The general council said, "These latest figures show the 13th successive monthly decrease in laid-up tonnage. At long last, we might be coming out of the recession."

"The improvement in the market is welcome and encouraging, but we think it is too early to say we have turned the corner in Britain and the world.

The uncertainties we fear are the oil price and supply situation, and more important, the inflationary pressures, which might push trade back into a new recession."

Although higher crude-oil prices resulting from the Iranian crisis pose worrying long-term questions for world trade, the impression is growing that the shipping sector, which sank to the low point of the recession last summer, is now over the worst.

"An increase in the rate of scrapping older ships and in response to higher freight rates, more laid-up vessels being put to work again have improved the market."

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet situation in 1974.

### WADHAM STRINGER

### ROLLS-ROYCE

Official Distributors for Rolls-Royce and Bentley.

### H.A. FOX

34 Dover Street, London, Tel. 01-496 30 11

1978 Oct. Rolls-Royce Silver Shadow II Saloon. Moorland over Pewter, Tan leather. Speedometer reading 7,100 miles. £26,950

1978 Aug. Rolls-Royce Silver Shadow II Saloon. Willow Gold, Dark Brown leather. Speedometer reading 12,000 miles. £26,950

1978 June Rolls-Royce Silver Shadow II Saloon. Caribbean Blue, Magnolia leather. Speedometer reading 8,800 miles. £26,950

1977 Aug. Rolls-Royce Silver Shadow II Saloon. Champagne, Dark Brown leather. Speedometer reading 7,700 miles. £26,950

1976 Sept. Rolls-Royce Silver Shadow Saloon. Walnut, Black Everflex roof, Tan leather. Speedometer reading 25,000 miles. £26,950

1976 Aug. Rolls-Royce Silver Shadow Saloon. Seychelles Blue, Beige leather. Speedometer reading 36,500 miles. £26,950

1976 Feb. Rolls-Royce Silver Shadow Saloon. Pewter, Green leather. Speedometer reading 39,500 miles. £26,950

1976 Jan. Rolls-Royce Silver Shadow Saloon. Regency Bronze, Beige leather. Speedometer reading 9,000 miles. £26,950

1975 May Rolls-Royce Corniche Convertible Coupe. White, Dark Blue leather. Dark Blue hood. Speedometer reading 32,000 miles. £29,250

1975 Feb. Rolls-Royce Corniche Saloon. Moorland, Beige leather. Speedometer reading 4,800 miles. £27,350

1975 Feb. Rolls-Royce Silver Shadow LWB Saloon without Division, Willow Gold roof, Brewster Green base, Beige leather. Speedometer reading 46,000 miles. £25,500

1973 May Rolls-Royce Silver Shadow Saloon. Alpine Grey, Beige leather. Speedometer reading 66,000 miles. £17,250

1973 May Rolls-Royce Silver Shadow Saloon. Sage Green, Green leather. Speedometer reading 48,000 miles. £18,250

### GUILDFORD

Woodbridge Road, Guildford, Surrey, Tel. 02231.74. 899255

1978 June Rolls-Royce Corniche II finished in Willow Gold with Beige hide interior and Brown Everflex roof. 6,000 miles. £26,950

1978 Dec. Rolls-Royce Silver Shadow II finished in Chestnut with Beige hide interior. 900 miles. £26,950

1978 Sept. Rolls-Royce Silver Shadow II finished in Shell Grey with Red hide interior. 3,000 miles. £26,950

1978 March Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide interior. 17,000 miles. £26,950

1978 Feb. Rolls-Royce Silver Shadow II finished in Chestnut with Magnolia hide interior and Magnolia Everflex roof. 14,000 miles. £26,950

1978 Jan. Rolls-Royce Silver Shadow II finished in Gunmetal Grey with Grey hide interior. 10,000 miles. £26,950

1977 Oct. Rolls-Royce Silver Shadow II finished in Walnut with Tan hide upholstery. 22,000 miles. £26,950

1976 Feb. Rolls-Royce Silver Shadow finished in Shell Grey with Surf Blue hide interior. 36,000 miles. £26,950

1975 Mar. Rolls-Royce Silver Shadow finished in Peacock Blue with Beige hide upholstery. 30,000 miles. £26,950

### TORQUAY

Lisborne Square, Torquay, Tel. (0803) 24321

1975 July Corniche Convertible in Walnut with Beige hide upholstery and Beige hood. A beautiful one-owner car. 30,000 miles. Offered at £39,950

1978 Jan. Corniche 2-door Saloon in Silver Chalcid with Black Everflex roof and Deep Red hide upholstery. 23,000 miles only. £38,000

1977 May Silver Shadow in Honey with Brown Everflex roof and Beige hide upholstery. Picnic tables. 13,800 miles. Superb. £35,500

1975 June Rolls-Royce Silver Shadow in Regency Bronze with Everflex roof. 56,800 miles. £25,500

1974 Aug. Flared Arch Silver Shadow in Seychelles Blue with Blue hide. 61,400 miles. A sound investment at £19,850

1971 Mar. Rolls-Royce Silver Shadow with 'M' registration in Porcelain White, Brown Everflex roof. Tan upholstery. 61,000 miles. £13,500

### WADHAM STRINGER

### DAIMLER DOUBLE SIX COUPE

1977. White with vinyl roof and red velvet trim. Fuel injection, automatic, alloy wheels, central locking. 36,000 miles only. In perfect condition. One of the last of this conversion car to be made and superb value. £6,450

12-month warranty. Terms and leasing arranged.

### GRANADA 'S' FI

1978. White with black cloth trim. Manual transmission, fuel injection, power steering, alloy wheels, tinted glass, elec windows, central locking, twin seats, 4-speaker radio/cassette. 12,000 miles, and virtually new throughout stock. Very large saving on new price at £4,950

12-month warranty. Terms and leasing arranged.

### IT'S MOTOR SERVICES

Ashby/Leic. 0283 219183/219208

### CONTRACT HIRE and LEASING

50 YEARS EXPERIENCE IN MOTOR TRADE

ANY MAKE OF VEHICLE SUPPLIED

H. HARTWELL CONTRACTS LTD

### CITROËN in the City

a comprehensive range of Citroën cars including Cx 3 call

01-337 8811

Cooper Car Company

20 Paul Street

London, EC2

All these Notes have been sold. This announcement appears as a matter of record only.

New Issue

August 1979

U.S. \$ 100,000,000

ELECTRICITE DE FRANCE

9 5/8 % GUARANTEED NOTES 1979-1986

Unconditionally Guaranteed by the Republic of France.

SOCIETE GENERALE

ALGEMENE BANK NEDERLAND N.V.

BANQUE NATIONALE DE PARIS

CREDIT LYONNAIS



## Three-year delay urged in banking union reform

BY NICK GARNETT, LABOUR STAFF

DELAY of up to three years in completing some of the proposed changes in English clearing bank staff representation is the principal element in the second report by Dr. Tom Johnston into the banks' union structure.

The main proposals of the first report ten months ago are virtually unchanged. Dr. Johnston is chairman of the Scottish manpower services committee.

The proposals involve a three-tier system in the industry—a TUC-affiliated finance union, a clearing bank union for representation in the five clearing, and domestic machinery within each of the banks.

The new structure, to replace much of the banks' bargaining machinery, which has been in a state of disarray over the past two years, would be formed out of the existing Banking, Insurance and Finance Union and the staff associations at Barclays, National Westminster and Lloyds.

The document reflects considerable exasperation at the entrenched positions of the union and the staff associations on certain vital issues.

It is also more strident in trying to push the parties towards accommodation and although there has been growing pessimism that the talks will

eventually founder, Dr. Johnston still ends on a fairly optimistic note. "I urge the parties to take the plunge," he says.

### Differences

Principal differences have been over where power should lie—in the domestic machinery or in the clearing bank union—and the relationship between the CBU and the new umbrella union, TUCaffiliation, which the associations have not been keen on, has also proved a problem.

The new document says that the TUC-affiliated umbrella body and the CBU could have separate certificates of independence but not the domestic tier bodies. These latter, however, would be responsible for domestic negotiations and, in the first instance, recruitment.

At the beginning of any new staff representation structure, existing systems of direct representation—for example, to a domestic tier body—should remain. There would then be a gradual process of clarifying the separate representation units within the system.

There is no recommendation on triple membership of the three tiers but the new proposals suggest a three-year period for harmonising subscriptions. There is also a suggested

three-year period for standardising terms and conditions for union officers.

The report says geographic structuring which, along with sectionalisation, is a feature of the Banking, Insurance and Finance Union, should only be instituted if this was felt necessary once the new representation structure was operating.

Dr. Johnston says the staff associations have had a "myopic" view on domestic autonomy and have been over-

### More Home News, Page 12

protective of their own membership. He is also critical of the National Westminster staff association ballot on TUC affiliation.

He argues that the Banking, Insurance and Finance Union, formerly the National Union of Bank Employees, should have delayed changing to its new name, which has only increased anxiety among staff associations about their position in a new structure.

He also criticises the union for agreeing, in defiance of the executive, at its annual conference this year that direct membership should be to the TUC-affiliated body.

## World tributes flood in for Lord Louis

LORD MOUNTBATTEN was born a prince and was related by blood to most of Europe's royal houses. But he will be remembered mainly for his long and successful military career and for the part he played in the transfer of power when India was granted independence in August 1947.

At Buckingham Palace a spokesman said: "The Queen was deeply shocked to hear of the death of Lord Mountbatten. Reports of his death reached the Queen on holiday at Balmoral with other members of the Royal Family."

French police told Prince Philip of the death of his uncle while the Prince was on his way to take part in an international equestrian event in Normandy.

Prince Charles, on an angling holiday in Iceland, was told of Lord Mountbatten's death by his private secretary.

King Carl Gustaf of Sweden was deeply saddened to learn of the death of his great uncle, a palace spokesman said. "It was completely unexpected, a tragedy about which the King feels a great personal grief. There is a very close family."

Dr. Donald Coggan, the Archbishop of Canterbury, said: "It was my privilege to know him and I noticed his deep care for people, particularly for individuals in their needs and sorrows. He was a kind of wise father figure within the Royal Family."

### Strength

Tributes to Lord Mountbatten poured in last night. Lord Home, the former Prime Minister, said: "He was a man of very strong character and strength of mind and with all these qualities, a most attractive personality, full of enthusiasm for any task which he undertook."

"During his tenure as Chief of the Defence Staff he was a constant source of strength to any defence secretary or foreign secretary or Prime Minister of the day. His advice was always objective and professional."

Admiral Sir Terence Lewin, First Sea Lord, who takes over as Chief of Defence Staff in September, said Lord Mountbatten "more than any other of the wartime leaders was the hero of my generation. He was always an innovator, ahead of his time, always a tremendous enthusiast. And we were inspired by his example."

"Above all, he always had time for people, particularly those who had served with him

in the past, and it was this coupled with all his great professional attributes, that made him a legend among servicemen."

Neelam Sanjiva Reddy, India's President, said in a message of condolence to the Queen: "That he was invited to be independent India's first Governor-General was a tribute to Lord Mountbatten's statesmanship, sagacity and wisdom. He will always occupy a place of honour among India's friends and well-wishers."

Mrs. Indira Gandhi, former Prime Minister of India and daughter of the late Jawaharlal Nehru, India's first Prime Minister, described Lord Mountbatten as "an extraordinary personality," and added: "India has lost a dedicated friend."

Lord Mountbatten was born at Windsor on June 25, 1900, the younger son of Admiral of the Fleet, the first Marquess of Milford Haven and Princess Victoria of Hesse, the granddaughter of Queen Victoria, who held him at his christening.

He was known as Prince Louis Francis of Battenberg until 1917 when his father relinquished his German title and assumed the surname Mountbatten.

At that time his father, Prince Louis of Battenberg, was First Sea Lord but he resigned under pressure from the wave of anti-German sentiment which swept Britain.

This indignity suffered by his father—Austrian-born but a naturalised Briton who was a prominent performer in the Royal Navy—was a driving force behind Lord Mountbatten's ambition to emulate his father and become First Sea Lord.

In 1955, after 42 years in the Navy, Lord Mountbatten's ambition was fulfilled when Winston Churchill appointed him First Sea Lord, the first son ever to succeed his father in the post. One of Lord Mountbatten's first acts on his appointment was to hang a portrait of his father in his office, the same one as his father also occupied.

His career in the Royal Navy started in 1917 when he joined as a cadet. He saw more than two years' service at sea in the First World War.

In July, 1922, he married Edwina Ashley, granddaughter of the financier, Sir Ernest Cassel, and reputedly possessor of a £12m fortune. Lady Mountbatten went on to make her own name in a devoted lifetime of charity work. She died in 1980.

On the outbreak of the Second World War, Lord Mountbatten was in command of the fifth Destroyer Flotilla in the flotilla leader, HMS Kelly, which played a notable part in the early campaigns of the war around Norway and Crete.

As Chief of Combined Operations in 1942 and 1943, he used the experience gained in the

Vaagso, Brunelval, and St. Nazaire raids and the reconnaissance in force at Dieppe, to help plan both the North African invasion in 1942 and the invasion of France in 1944. He helped devise the Mulberry artificial harbours which aided the D-Day invasion, and PLUTO (the pipeline laid under the ocean).

Before the invasion took place, however, he had been appointed, in the autumn of 1943, Supreme Allied Commander of the newly-formed South-East Asia Command, with the acting rank of Admiral, the youngest Admiral in the history of the Royal Navy and by far the youngest Supreme Commander.

In September, 1945, he officially received the Japanese Army's surrender at Singapore. After the war, in March 1947, he was temporarily detached from the Royal Navy to become the last Viceroy of India. As Viceroy he solved the hitherto intractable problem of how to transfer power in less than five months. In August 1947, after the transfer, he was invited by the Indians to become their first constitutional Governor-General and stayed for 10 months.

Winston Churchill refused to speak to him for a time after his return from India because he and other British Conservatives resented Lord Mountbatten negotiating the end of the British Raj under a Socialist

Government at home. They opposed the Mountbatten plan to create a Moslem state of Pakistan, a partition which led in thousands of deaths to Hindu-Muslim riots.

In 1959 he became Chief of the UK Defence Staff and chairman of the Chiefs of Staff Committee, from which post he retired in 1965. As Chief of Defence Staff he was responsible for welding together Britain's defence services into one administrative organisation whereby the former Admiralty, War Office and Air Ministry became departments within the unified Ministry of Defence.

### Mission

Following his retirement, after 52 years in uniform, he went on a fact-finding mission on British Commonwealth immigration and then conducted an inquiry into security at Britain's prisons after Russian agent George Blake escaped.

In 1967 he took on his last "crusade" as the first president of the International Council of the United World Colleges, an educational project to promote international understanding.

He once said in a newspaper interview: "As more and more history is being written, I think it will be judged that I didn't do too badly. Mine is just a normal, decent approach to life and if this was general, there would be no more wars and more happiness in the world."

## Peaceful-haunt of fishermen and tourists

MULLAGHMORE, Co. Sligo, was a typical seaside village best known to fishermen and a few holidaymakers until yesterday's grim killings shattered the peace.

The village, sited a few miles south of Bundoran on the wide sweep of Donegal Bay, had experienced little out of the ordinary since an American Flying Fortress made a forced landing there during the war.

Looking north from Mullaghmore beach, the Donegal coastline gleams across the bay. In the other direction, Ben Bulbin, the mountain immortalised in his poetry by W. B. Yeats, rises majestically in the distance. All this can perhaps best be seen from Classy Bawn, the castle perched on a peninsula

above Mullaghmore where Lord Mountbatten was a regular visitor.

The castle was built in 1856 as a summer residence by the British Prime Minister Lord Palmerston, and was subsequently left to the Mountbatten family on Palmerston's death.

More recently, the 10-bed roomed house and 1,500-acre estate has been rented as a holiday home to Mr. Hugh Tunney, a millionaire businessman. One condition of that lease, however, was that "Mr. Mountbatten" or "Lord Louis" as he was affectionately known locally, could stay there for one month each year. That month was invariably August.

Whoever planted yesterday's bomb would not have had

much difficulty in establishing the movements of their victim. Although "accompanied permanently by a plain clothes police detective whenever he left the castle, Lord Mountbatten regularly strolled about the village and frequently went to sea in a clinker-built sailing boat. The 26-foot green and white half-decker craft was moored in Mullaghmore harbour and was well known in the village.

"It was a very sturdy vessel built specially for Lord Mountbatten by a local craftsman," Mr. Joe Jennings, a former journalist brought up in the area and now a frequent visitor there, recalled yesterday. "I was in Mullaghmore about a fortnight ago, and I saw him drive down to the

harbour in his Peugeot station-wagon. He used to take the wheel of the boat himself."

There seems little doubt but that Lord Mountbatten was well liked by local residents and that he was greatly attached to the North Sligo coast. Observers say he enjoyed being treated as just another tourist.

It was well known, of course, that their distinguished visitor had a military past, but there was no personal animosity in spite of a fairly strong nationalist sentiment in the area.

Lord Mountbatten impressed many Irishmen when a few years ago he revisited the country for the funeral of Eamonn De Valera, the Republic's longest serving President.

### Clerical staff picket courts

STRIKING clerical staff picketed four inner London magistrates' courts yesterday in their fight for a pay offer similar to that made to civil servants. The members of the Civil and Public Services Association and the Society of Civil and Public Servants, picketed Bow Street, Old Street, Camberwell and Horseferry Road courts. They have refused a 9.4 per cent offer from the Home Office, and are demanding rises of 20 to 30 per cent.

### Joint talks seek end to coastal dockers' strike

JOINT TALKS will be held in Liverpool today to try to end the seven-week strike of 280 coastal dockers employed by the Mersey Docks and Harbour Company.

On Sunday, 2,000 of the other 3,500 dockers employed voted to give the company one more week to reach agreement on the claim for an extra £2.50 to £3 a day for weekend work.

Both management and shop

stewards are anxious to avoid an all-out strike which would halt the port. The outcome of today's meeting will be reported to the strikers on Friday.

● Tugboatmen refused to move ships in Liverpool's North Docks at the weekend in protest at the Mersey Docks and Harbour Company decision to close the Langton Dock river entrance at weekends on grounds of economy.

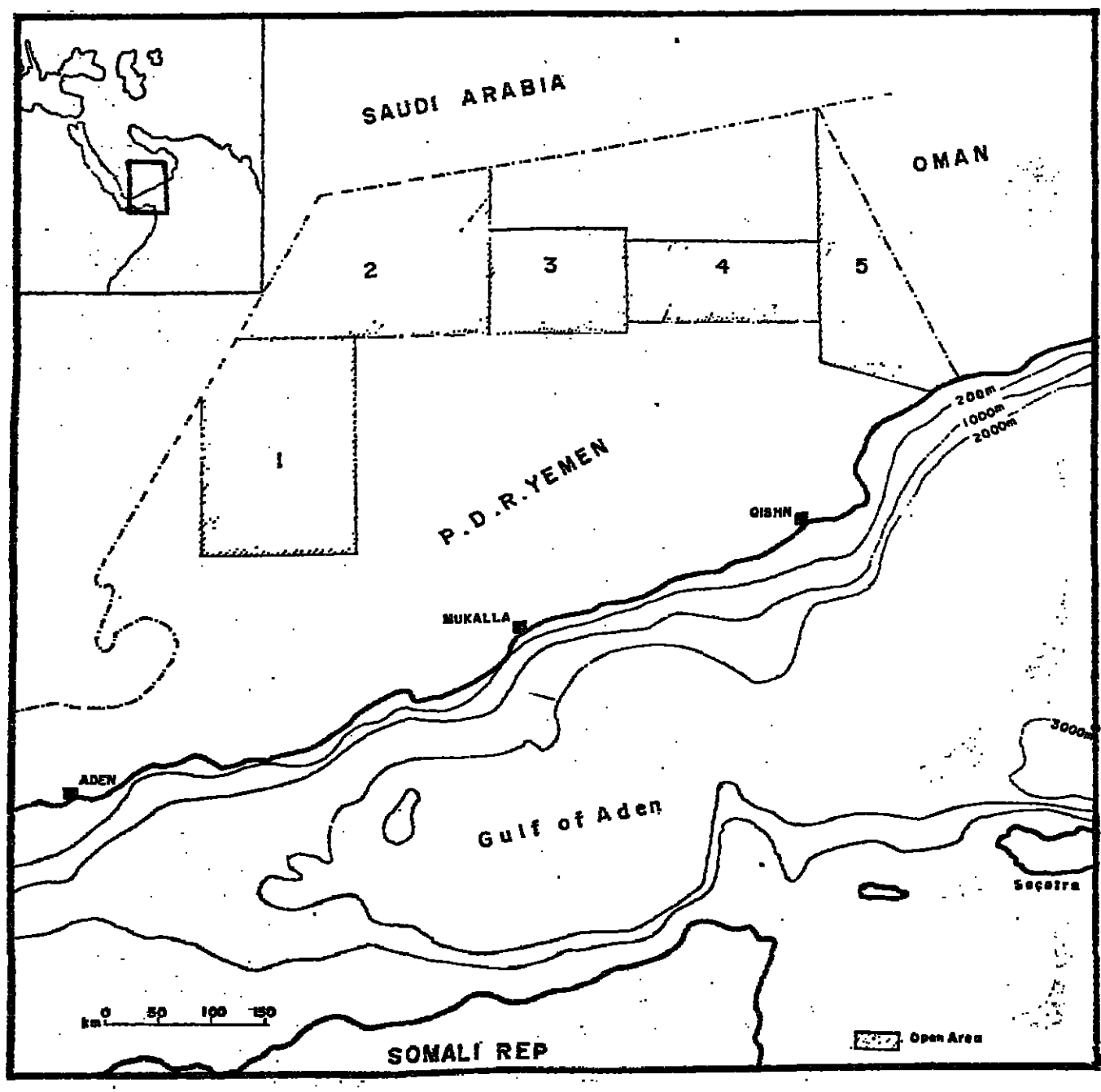
## CONTRACTS AND TENDERS

### OIL EXPLORATION AND EXPLOITATION INTERNATIONAL BID

Peoples Democratic Republic of Yemen (P.D.R.Y.) Petroleum and Minerals Board (P.M.B.)

announce the offering of the below shown open areas (Nos. 1-5):

1. Terms are based on "Production Sharing."
2. Minimum obligation should be supported by Letter of Guaranty, but not less than Seismic Survey and drilling of two wells within the first three years.
3. Cost of recovery out of 40% for company. The rest 60% is split between P.M.B. and company.
4. Data is available for investigations at P.M.B. Office, Aden.
5. For further information communicate with Cable: YNOC, Aden. Tel. 24155/24993. Telex: 215 AD. P.M.B. Chairman.



### ARGENTINA

BELLA VISTA S.A. (E1.)

SUGAR COMPANY

INTERNATIONAL CALL FOR TENDERS

(LAW No. 21976)

Sale as a unit of an agricultural-industrial area comprising one sugar factory, alcohol distillery and sugar cane planted fields, all located in the Province of Tucuman (Argentina). Without base.

Terms of payment: 10% on adjudication, 15% on possession and balance up to sixty (60) months. Specification sheets available at 575 San Martin Street, 2nd Floor, Office No. 15, Tucuman, Argentina. Price: AP 1,000,000.

Opening of Tenders: 12th September, 1979, at 4 p.m., at 120 Defensa Street, 5th Floor, Buenos Aires, Argentina.

Submitting of Tenders: Until one hour before time limit at 120 Defensa Street, 5th Floor, Office No. 5083, Buenos Aires, Argentina.

Information: 575 San Martin Street, 2nd Floor, Office No. 15, Tucuman, Argentina, or at C.O.N.A.S.A. main offices, 1070 Cerrito Street, 11th Floor, Buenos Aires, or at 179 Rivadavia Street, Tucuman, Argentina.

Trust Receiver

### THE MAURITIUS SUGAR TERMINAL CORPORATION

BULK SUGAR TERMINAL — PORT LOUIS

TRACTOR AND MOBILE CRANE

CONTRACT No. 13A

Tenders closing at 1.30 p.m. on Wednesday, 17th October 1979, are invited for the following works for the Bulk Sugar Terminal at Port Louis, Mauritius, in accordance with the Specification and General Conditions of Contract for Contract No. 13A.

The Contract is for the supply and delivery free into store on the Site of a Tractor Mounted Mobile Hydraulic Crane of maximum lifting capacity 8 tonnes, with hydraulic winch and one industrial Tractor of approximately 50 h.p.

Specification and General Conditions of Contract may be examined at the offices of the Consulting Engineers, Macdonald Wagner & Pridde Pty. Ltd., at Port Louis, Mauritius, and at North Sydney, N.S.W., Australia, and also at the Mauritius High Commission, 23/25 Euston Place, London, S.W.7, England, and the Mauritius Embassy, 68 Boulevard de Courcelles, 75017 Paris, France.

Specification and General Conditions of Contract for companies registered in Mauritius may be obtained from Macdonald Wagner & Pridde Pty. Ltd., Rogers Automotive Building, Cnr. Edith Cavell & More Bathurst Streets, Port Louis, and for companies registered in all other countries, they may be obtained only from Macdonald Wagner & Pridde Pty. Ltd., 100 Miller Street, North Sydney, N.S.W., 2060, Australia. Telex No. 20626. The non-refundable charge for each set of documents obtained in Mauritius is 350 Mauritian Rupees and 50 Australian Dollars in Australia.

Envelopes endorsed "Tender for Contract No. 13A, Tractor and Mobile Crane, Bulk Sugar Terminal, Port Louis" and containing a Tender accompanied by a Tender Deposit are to be addressed to the Chairman, The Sugar Terminal Board, 4th Level, New Government Centre, Port Louis, Mauritius, and to the Tender Box, at the office of The Chairman, The Sugar Terminal Board, 4th Level, New Government Centre, Port Louis, Mauritius, or posted from overseas to reach the Chairman on or before the closing time and date.

The Corporation does not bind itself to accept the lowest or any tender and will not assign any reason for the rejection of a tender.

The Mauritius Sugar Terminal Corporation

## PLANT & MACHINERY SALES

- 1) ROLLING MILLS  
20in x 30in x 350 h.p. Two High Reversing Mill.  
5in x 12in x 10in wide variable speed Four High Mill.  
3.5in x 8in x 9in wide variable speed Four High Mill.  
10in x 16in wide fixed speed Two High Mill.  
10in x 12in wide fixed speed Two High Mill.  
6in x 16in x 20in wide Four High Mill.
- 2) CUT/LENGTH LINE 1,000 mm x 2 mm.
- 3) CUT/LENGTH LINE 750 mm x 3 mm.
- 4) CUT/LENGTH LINE 400 mm x 3 mm.
- 5) WIRE FLATTENING AND NARROW STRIP ROLLING MILL, two stand by r/wf. 10in x 8in rolls.
- 6) SLITTING LINE 920 mm x 10 ton coil by Cam.
- 7) SLITTING LINE 300 mm x 1 ton coil by Cam.
- 8) SLITTING MACHINES 36" and 48" by Weybridge.
- 9) 350 h.p. REVERSING MILL, 20in x 30in rolls, Farmer Norton.
- 10) PLATE SHEAR 4ft x 1in Cincinnati.
- 11) GUILLotine 8ft x 0.125in Pearson.
- 12) No. 1 FICPE SCRAP SHEAR, 75 x 35 mm bar.
- 13) SHEET LEVELLING ROLLS, 920, 1,150 and 1,850 mm wide.
- 14) HYDRAULIC SCRAP BAILING PRESS, Fielding & Platt.
- 15) FORGING HAMMER 3 cwt, slide-type, Massey.
- 16) VACUUM FURNACE 100 kw, Herdikerhoff.
- 17) AUTOMATED COLD SAW, non-ferrous, Noble & Lund.
- 18) WIRE DRAWING MACHINE 8 BLOCK (16in), Arboga.
- 19) WIREDRAWING MACHINE 6 BLOCK (22in), Marshall Richards.
- 20) 1972 WIRE STRAIGHTEN AND CUT-TO-LENGTH MACHINE, Max. capacity 10 mm dia. m.s.
- 21) HORIZONTAL DRAW BLOCK 3in, Farmer Norton.
- 22) BAR & TUBE REELING MACHINE (2in), Platt.
- 23) WIRE DRAWING MACHINE 9 DIE cone type, Unity.
- 24) WIRE DRAWING MACHINES 15 DIE cone type, Marshall Richards.
- 25) COMPLETE BICYCLE RIM MANUFACTURING PLANT for disposal, capacity 300 rims per hour.

Wedenbury Machine Co. Ltd.  
Oxford Street, Bilsdon,  
West Midlands.  
Tel: 0902 42541/2/3. Telex 336414

### McKay 8" SHEET METAL PROCESSOR

UPSET FORGING MACHINE 4in dia. 750 ton

WICKMAN 1 1/2 65P AUTOMATIC, Reconditioned.

WICKMAN 2 1/2 65P AUTOMATIC, Reconditioned.

CINCINNATI CENTRELESS GRINDER, Excellent

1500 TON CLEARING D A PRESS Bed 180" x 96"

200 TON SCHULER HIGH SPEED PRESS, 200 spm

LUMSDEN GRINDER 84" x 24" magnetic chuck

FISCHER COPY LATHE TYPE 18/150

NATIONAL COLD HEADERS 1" x 1" dia. recon.

BARBER & COLMAN 16-16 HOBBER, as new

Rolls Tools Ltd.

154/6 Blackfriars Road, London SE1 8EN

Tel: 01-928 3131 - Telex: 261771



# Building and Civil Engineering

## £18m road contract in Essex

MID-SEPTEMBER will see the start of an £18.4m contract which the Department of Transport has awarded to Wimpey Construction to build the Mark Dyke to the east of Grays dual carriageway trunk road in Essex.

The two-year project comprises two sections of 11 metre dual carriageway, totalling 7.5 kilometres, and one section of 7.5 metre dual carriageway, forming an eastern by-pass of Grays. Three grade separated interchanges and a roundabout are also part of the contract.

Excavation of 1.6m cubic

metres of earthworks includes considerable industrial and domestic refuse and about 1.4m cubic metres of fill-in embankments.

Other works include road drainage systems, sewer, diversions and construction of pump stations.

Structural works include the construction of a viaduct, 12 bridges, a pedestrian subway and minor retaining walls and culverts involving 2,700 tonnes of reinforcement, 17,000 cubic metres of concrete, 690 tonnes of fabricated steel beams, and 54 precast prestressed concrete beams.

Wimpey Asphalt has acquired the Pwllheli Granite Company which has a quarry and a sand gravel pit near Portmadoc, North Wales, and is also engaged in the production of ready-mixed concrete. It is anticipated that all these activities will continue under the present trading name.

## Work on big civic centre

CONDOR Midlands has awarded John Laing Construction's north-west region a £2.6m contract to carry out building work within the vast £8.5m Tameside Civic Centre, now taking shape at Ashton-under-Lyne, Greater Manchester.

Calling for a 60,000-square-foot supermarket and better than 200,000 square feet of office space, the development will be linked to the existing Town Hall, blend with the 18th century aspect of the town centre and provide a central headquarters for the Tameside Metropolitan Borough Council.

The complex will be triangular in shape with an octagonal eight-storey core at the apex and six- and four-storey sections branching off it.

Shops and offices will have a structural steel frame built by Conder Midlands, managing contractors for the development.

## Award to Balfour Beatty

EXTENDING AND modernising the Atlantic Hotel in Banjul, capital of The Gambia, will be undertaken by Balfour Beatty Construction under a contract worth about £6m.

Contract covers design, all goods and services, construction and commissioning.

Manager for the hotel is Caledonian Hotel Management (member company of the Caledonian Airways Travel and Leisure Group, which includes British Caledonian Airways and Blue Sky Holidays), which is also appointed as hotel development consultant for the new project.

Finance for the scheme has been arranged by Standard Chartered Merchant Bank and incorporates an ECGD buyer credit for the export of UK goods and services amounting to about £4m.

Work will start immediately and completion is required by the end of 1980.

## Facelifts in London

REFURBISHING work looms large in the £3.7m worth of contracts just announced by Fairclough, largest of which from the GLC is for £1.1m.

This involves relaying of roofs, structural repairs and remedial brickwork to 530 occupied homes at the Exmouth Estate in East London. Completion is for July next year.

In Roehampton, again for the GLC, work worth more than £600,000 is to be carried out on 112 unoccupied maisonettes and 33 occupied flats, with completion by April 1980. It will be largely remedial in character.

London Borough of Brent has added £870,000 as Phase 2 of operations on the Manor Farm Estate, Alpertown, bringing the total of buildings to be refurbished and modernised to 150 and the total cost to over £1.2m.

For the London Borough of Islington, work under a £300,000 contract for repairs to Pangbourne and Moulford Houses in the area is nearing completion.

Other rehabilitation contracts include £120,000 in Merton, £58,000 for Waltham Forest and £140,000 for Haringey.

## £30m Brazilian hotels project

FIVE BIG hotels are to be built in several important areas of Brazil under a £30m contract concluded between Best Vivin Constructors and Grupo Queiroz Imóveis.

Best Vivin is a consortium set up by Royal Volkmer Stevin and Gebr van Heeswijk, major European civil engineering contractors, based in Holland.

Meanwhile, though the total amount of the contract has been established, the actual sites where the hotels are to be

built have not yet been chosen, at least not so far as the European partners in the deal are aware.

Each hotel will have 320 double rooms and a total floor area of about 25,000 sq metres. Start of construction on all five is for October/November this year, with completion within about 18 months from starting date.

Owner of all five will be the above-mentioned Grupo Queiroz Imóveis of Brasília and the designer is Intarco of São Paulo.

Until the sites are known, it will be difficult to put a figure on the value of the local ingredient of labour content. Notionally, some 25 per cent of total cost will be involved though such a figure must be considered 'tentative' at the moment.

Royal Volkmer Stevin describes the present arrangement as a 'window contract' in which the framework has been designed and laid down but the details remain to be filled in.

## £2m store for Allied Suppliers

WORK HAS been started by Lesser Design and Build on a £2m project for a new Allied Suppliers (Presto) superstore in Staines Road, Hounslow, Middlesex.

This joint development between Allied Suppliers (Properties) and Lesser Land will also include office accommodation, together with a first-floor car park.

The three-storey reinforced concrete structure will be clad with facing brickwork and blockwork, and the store will be at ground-floor level, with office accommodation on the two upper floors.

The 4,423 square metre store will be served from Staines Road and from the 150-space shoppers' car park on the first floor, with access by lift and stairway. At the rear, an incoming goods and service area with covered docking bay and levelling platform will be provided.

The 1,080 square metre office building will be positioned on columns immediately above the car park, itself generally enclosed within the office area and reached by a circular rising ramp. Because of its location close to London Airport, extensive acoustic and thermal insulation will be needed.

## Offices in Manchester

A NEW £1.4m headquarters for the Pentos publishing company, World Distributors (Manchester), is to be constructed in central Manchester by Howard Farrow (Northern).

The building will provide 16,000 sq ft of office space and 58,000 sq ft of high bay warehousing.

## £1.8m awards to Tilbury

LATEST AWARDS won by Tilbury Construction total £1.8m. Nearly £1m-worth of the work is for the Property Services Agency.

Building and civil engineering in the Plymouth area for the PSA is likely to exceed £1m, and it has placed a £213,500 order for a Post Office motor transport workshop in Torquay.

Major trunk road improve-

ments for Cornwall County Council are worth £437,000.

New access roads worth £10,000 for a holiday camp are being constructed for Mr. J. R. Morgan, and warehouses and factories for English Industrial Estates Corporation (worth £120,000 and £101,500 respectively) make up the balance.

With £160,000 contract for a new workshop at Culmington, near Exeter, for E.C.P. Joinery.

## Sunley to extend offices

BERNARD SUNLEY and Sons has won the contract to build a four-storey extension to the Eagle Star Insurance Company's administration and computer centre at Cheltenham.

The building will be fully air-conditioned and when completed provide additional office space of 2,600 square metres and underground car parking of 800 square metres. The reinforced concrete structure will be supported by a half metre deep

concrete raft and 10 metre deep bored piles.

Architects, Stone, Tomlin and Partners, have designed the extension to blend with the existing 14-storey building, built by Sunley in 1969.

The sub-structure, which was the subject of an earlier contract, was commenced six months ago. Total value of the building contract is £2.5m and Sunley expects to complete by October 1980.

## Land Rovers on call

EXPANSION of its Land Rover and Range Rover hire service is planned by Four by Four Hire of Hanworth, Feltham, Middlesex.

It has already built up a fleet of over 200 vehicles which may be hired for a week or a year or longer. They can be fitted out to carry plant and equipment of all kinds, to operate as mobile workshops, or simply to carry personnel over rough terrain.

Among the company's latest developments are special mobile workshops built with Luton box van style bodies which more than double volumetric carrying capacity and provide standing room for all but the tallest operatives.

The vehicles also have an Allam 7.5 kVA generator built

in between the two front seats. This makes the workshop completely independent and self-contained.

The company also has a number of vans equipped to carry out regular maintenance and repairs and stocks of spares are held at depots in various parts of the country.

Mr. Duncan Smiles, managing director of Four by Four, says the service is underpinned by the influx of foreign vehicles modelled on the Land Rover and that the company's expansion would continue to be based on getting sufficient supplies of British Land Rovers and Range Rovers from BL. The setting up of a major centre devoted solely to both hiring out and selling these vehicles is being considered, he said.

## Technical News

EDITED BY ARTHUR BENNETT AND TED SCHMIDT

### PROCESSES

#### Coating paper products

A DEMONSTRATION and development laboratory, made possible by the aid of a grant from the Department of Industry, has been set up by member of the John Brown group, Bone Markham, at Manor Farm Road, Wembley, London (01-997 9555).

This is intended to help the company meet its objectives of growing further in the specialised field of coating and laminating machinery for the paper, packaging and plastics industries.

A newly designed multi-purpose coating machine is installed, which should make it possible for work to be shown in all of the normal roll coating and metered coating fields, as well as laminating, in a wide range of materials. The laboratory plant also includes the very latest design of flat air oven.

Facilities at the Wembley plant will demonstrate the pro-

duction of vinyl coated wall coverings, photographic and non-carbon type papers, solvent coated papers, a solvent or hot melt adhesive, solvent or hot melt adhesives, polyurethane coated papers and films, lacquered papers, films and foils, hot melt coated papers, films and foils, and treated papers, films and foils.

Other areas in which the company is currently involved—often jointly with customers—are energy economy, air pollution and material wastage, and the use of micro-processors.

Bone Markham has built coating machinery under licence from U.S. company Egan for over 25 years and says its own demonstration and development laboratory gives it the added ability to expand in fields which are specifically related to the European market, and to do work directly requested by customers.

#### Air-powered saws

JUST INTRODUCED to the UK market are two air saws which will cut all species of timber, plastics and composite materials, as well as light metals, announces Powell Duffryn Group, Tools Division, Cambrian House, Maundy, Cardiff (0222 42551).

The air circular saw has an 81-inch diameter blade and a 24 hp motor. Depth of cut is adjustable up to 27 inches, and the base can be tilted to 45 degrees. This is designed for rugged and continuous use and can be pushed to the point of stalling with no damage to either air motor or tool. Balanced top handle is said to give easier control for the operator and the sawdust ejector funnels sawdust down and away from the operator and the telescopic blade guard. Its major use will probably be in the furniture industry.

Designed for large production

capacity cutting or intricate curve cutting is the heavy duty air bayonet saw with 1 hp motor, likely to be used in the aircraft industry.

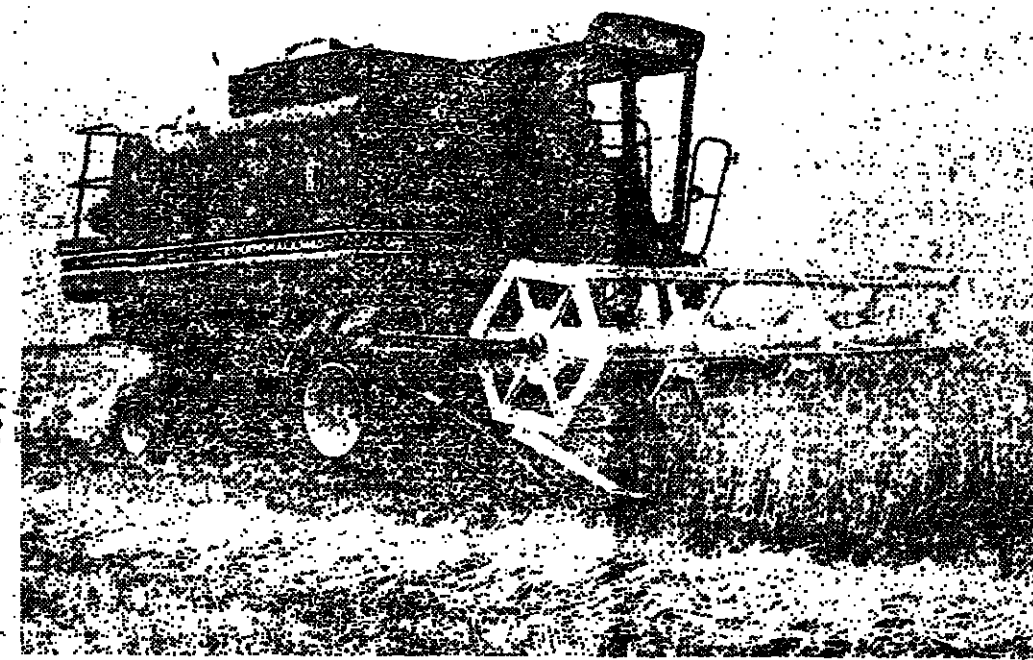
Orbital action of the bayonet saw reduces blade breaking friction, and it can cut wood 24 inches thick, aluminium 1 inch thick, and steel 1 inch thick. Its sturdy 24 square inch base should give firm support, and a base insert eliminates chipping when cutting such materials as plywood or laminates.

#### Separates the solids

A PRESSURE filter for the dewatering of suspensions with non-Newtonian flow behaviour is being manufactured by Escher Wyss, a member of the Sulzer Group of Farnborough, Hants. (0252 44311).

This has opened up completely new possibilities for the separation of the solids/liquid content of non-Newtonian, i.e. intrinsically viscous, plastic or thixotropic suspensions, says Sulzer.

The suspension to be dewatered is subjected to intensive shearing action, it is added, and the cellular turbulence produced in the ring space of two



Available with either a 14 or 16 foot wide grain platform this International Harvester 1490 axial flow combine has a 170 hp turbo-charged diesel engine and hydrostatic transmission.

### DATA PROCESSING

#### Maintaining the power supply

TALISMAN, the Stock Exchange's computer array, has been extended to make it one of the largest data processing centres in the UK.

In its new form it went live when the power was switched on officially on April 9, which followed a preliminary power-up test period during late March.

Full computer capacity of the IBM equipment will be reached during the current half year.

To support the increased processing facilities, additional power was required and this was involved in the installation of an extra LEB feeder line to The Stock Exchange computer building. Its primary purpose is to supply a new Emerson Electric UPS (Uninterruptible power supply), rated at 250 kVA, which is situated in the base-

ment of the building. The computer equipment is on the third floor of the building and is located about 180 metres away from the power equipment.

With the installation of the latest Emerson static inverter equipment, it means that the computer now has two separate supplies: an existing 168 kVA UPS which looks after the central processors and the 250 kVA above that provides a protected supply to the various peripherals.

In order to accommodate the extended power supply equipment, the basement had to be completely re-designed. This work, and the extension to the computer room, was carried out by LSE's own property management department.

During the time all the changes were being made, the

transmission. It is claimed that axial flow combines are more productive than conventional machines and that their design ensures considerably less crop damage.

centre had about 40 per cent of its power supply coming directly off the raw, unprotected mains. This was considered to be an acceptable risk, in order that work was finished as quickly as possible; it proved an anxious time all around and fortunately, the work took place during a period of the year when there were no cuts and no loss of data to the computer.

With over 400 kVA splitup between two UPS systems Talisman has plenty of stand-by power in hand. For example, if the older, and possibly more vulnerable, UPS installation should fail the new 250 kVA equipment has additional capacity built-in to handle the total computer load.

Emerson Electric Industrial Controls, Elcin Drive, Swindon, Wilts., SN2 6DX. 0783 24121.

### HYGIENE

#### Traps flies and wasps

SHEARFLOW air curtains which have been used for some time in energy conservation by preventing heated air loss from working environments, have now developed as high pressure insect barriers.

These units are attracting interest in the food manufacturing, catering and hotel industries where penetration of insects, food contamination in kitchens, food stores and food processing plants is unwanted.

The method of operation is simple. The velocity of the air emitted from the unit is made

such that a complete air curtain is formed across the doorway. Freedom from insect penetration and other airborne contamination can be achieved as flies, wasps, etc. are unable to pass across the area of air turbulence provided by the unit. Suspended particles present in the atmosphere are also swept away.

The power of the unit can be adjusted so that even birds flying at speed cannot penetrate the air barrier.

Brake Spur House, 164, High Street, Barnet, Herts. EN5 5XP. 01-440 9907.

### WATER ENGINEERING

#### Lessens loss from mains

WASK Engineering, of Keighley, Yorkshire has a machine for drilling, tapping and installing services on live water mains. Waterset equipment is based on the company's Teeset gas main drilling machine.

Waterset has been tested up to 20 bar (300 psi) and is recommended for use up to 10 bar (150 psi). Insertion of ferrules for up to 1 inch (25 mm) services and stems or nipples for up to 2 inch (50 mm) services is possible into cast iron, ductile iron and into steel and asbestos cement mains from 3-12 inches (80-300 mm) in diameter.

If required, ancillary equipment is available for use on larger sizes of main and special underdrainages and saddles are available for work on polyethylene or u-PVC mains.

Minimum water loss during drilling and tapping is ensured by an ingenious valve in the base of the Waterset, plus a pressure vent and headlock device which prevents the head being removed while still under pressure.

Wask Engineering, Glywood

Screws and Fastenings, Woodhouse Road, Keighley, West Yorkshire BD21 5NA. Tel: (0535) 605681.

### MATERIALS

#### Looks like leather

USING THE same technology that was used for the development of its water vapour permeable synthetic leather, Porvair is now producing an unfinished permeable polyurethane foil also for use as a leather substitute.

Formed from a thin layer of Porvair material, which is laminated and finished to a woven or non-woven textile backing by the customer, Permair is supplied with the appearance of glacé leather, and can be fashioned into covering for luggage, handbags, shoes, etc. It is available in thicknesses of

0.5 mm to 0.7 mm and a metre in width.

Produced in roll forms up to 200 metres in length, main colours are brown, black or white but other colour shades are available, depending on the size and order, from Porvair, Estuary Road, King's Lynn, Norfolk PE30 2HS.

Developing nations with a shortage of leather, but with indigenous textile industries capable of producing the backing for Permair, could now create their own shoe upper and luggage material industries, suggests the company.

### INSTRUMENTS

#### Accurate sound meter

TRADITIONAL sound level meters do not have sufficient dynamic range or a fast enough response time correctly to indicate transient or impact noise. They often do not warn the operator when a result, measured in these circumstances, is incorrect.

This limited response to impulses becomes even more serious when integrating functions are included, because the errors are additive throughout the measurement.

New standards are currently being proposed that will lay down minimum requirements for instruments used in areas of impact or transient noise. Those instruments capable of correctly handling impulses will be given a peak category classification and traditional meters will remain in the non-peak classification.

CEL-193 precision impulse integrating sound level meter from Computer Engineering will meet the proposed new standard. The new instrument

has a crest factor of 63dB and will correctly measure noise pulses lasting less than a millisecond. Any of the three time constants specified in current sound level standards—fast, slow and impulse—can be selected and, in addition, a peak setting used in conjunction with the maximum hold facility enables the absolute maximum level of an event to be measured.

A three-position slide switch allows the result to be displayed in terms of either equivalent continuous noise level, single event noise exposure index or peak weighted average. A 60dB linear scale is provided and a pushbutton selects either the 30dB above the indicated start of the range to be displayed or the 30dB below. The starting point of the range selected is shown in a window on the scale pan and can be advanced in 10dB steps. The total measurement capability is 23-155dB or 13-130dB if the in a locked or unlocked condition and retains data under highly repetitive activation.

Wang is now recognised as the largest worldwide supplier of sixteen-based word processing systems and the second largest supplier of small business computers in North America. It is doing very well in the UK too!

Telephone: 01-478 7621

WANG

COMPUTER AND WORD PROCESSING SYSTEMS

have moved

11/12

Long

Telephone

Telex

M

Salient point

During the

chase of a p

It is propos

a substantia

Brenchley &

machine of

in the South

Significant

cost thereof

Tea compar

taxation and

supplies on

levy of expo

With the pre

prices the Di

year for the

results outs

The continu

repatrated p

COMPARATIVE R

turnover

Group profit bef

location

Profit after taxat

Earnings per Or

Ordinary dividen

Copies of the

McLeod Russ



## THE MANAGEMENT PAGE

Terry Dodsworth reports on the French Ferodo car components group, now flexing its international muscle with the aid of Government-inspired liaisons which have drawn in Lucas of the UK

## French victor which must live with detente

SOME of the most striking aspects of modern French industrial policy have been displayed during Ferodo's meteoric rise into the first ranks of the European motor components' industry. These preoccupations are centred on France's ambition to create companies with an international scale of operations. The country will be vulnerable, it is argued, if it does not develop businesses which can export vigorously, keep abreast of the best of modern technology, and produce at internationally competitive costs.

The process of growing into being one of these chosen industry leaders began for Ferodo almost 10 years ago. At that time, it was already an expanding company, making plenty of money as it was dragged along in the wake of the rapidly expanding French motor industry. It was probably the largest indigenous French group in the components sector. But it was in no way a force to be counted in the world industry.

## In trouble

Then one of the medium-sized French electrical component businesses, SEV-Marchal, came on the market. The company was in some financial trouble, and its owners, the Marchal family, were proposing to sell out to Bosch, the German vehicle electricals manufacturer—already one of the dominant forces in the European industry. The stage was thus set for Government intervention.

At about this time the French authorities were beginning to look hard at the possibilities of reconstructing the motor components sector. This was partly because the vehicle manufacturers, then becoming a world force in their own right, were concerned about the costs

of their component supplies. But it was also clear that France was falling behind in the race to create motor suppliers of world dimensions. In both the UK and Germany, companies were emerging of sufficient size to compete with the American giants. In France, the sector remained extremely fragmented.

In a typical response of the French bureaucracy to such situations, the search was launched for a home-grown company capable of taking Marchal on and turning it round. Ferodo was chosen, not because it had expertise in electrical equipment—its main business was in clutches and radiators—but because it was the major French company in the components sector. It knew the industry, had links with the vehicle manufacturers and, it was presumed, had the management expertise to take a trip on Marchal.

This was the kind of offer which a French company finds difficult to refuse. Ferodo was not particularly keen at the traditional interests in brake lining and clutch production. "It was only with some hesitation that we eventually agreed to the takeover," says M. Andre Boisson, chairman of the group. "We knew we had a difficult task ahead of us. It was a company with an out-dated range, little capital and limited management. We had to renew the range, reinvest and inject new men from Ferodo."

Ferodo received no financial help from the Government—"we were rich at the time," says Boisson. But the authorities played a key role in the takeover by effectively blocking Bosch's bid for Marchal. They refused to grant the approval which is necessary for overseas companies to invest in France, leaving the German company with a limited, pre-acquired



M. Andre Boisson, chairman of Ferodo—"co-operation between an English and French company is perfectly possible."

stake, but not control. After the merger, the financial interests in SEV-Marchal were regrouped in a holding organisation controlled 70 per cent by Ferodo and 30 per cent by Bosch—just 3.3 per cent short of the percentage which gives a blocking minority of shares in a French company.

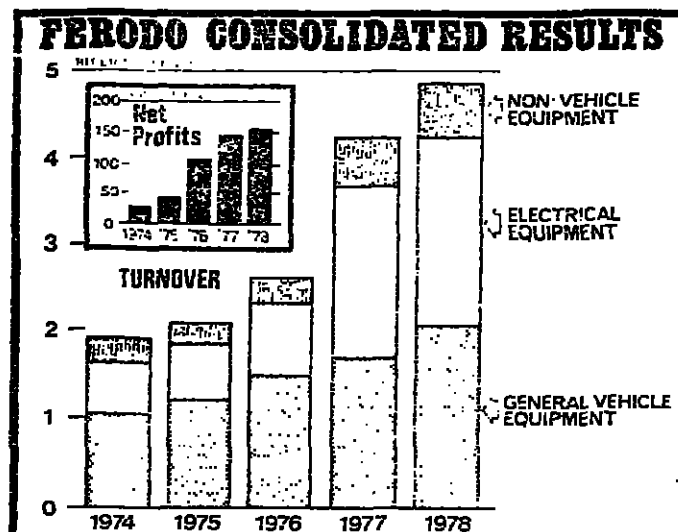
The Ferodo-Marchal fusion was step one in the industry reorganisation programme. Step two came six years later in 1977, when the Paris-Rhone/Cible group, another cluster of merged vehicle electricals manufacturers, was looking round for a partner. Once again, Ferodo was the obvious match.

Step three threw Ferodo into the now celebrated imbroglio with Lucas of the UK over the future of Ducellier, the other large French vehicle electricals producer. This extremely complicated takeover battle was dragged through the French courts, ended with an agreement under which the

French and British groups will each hold 50 per cent of Ducellier. In other words, Lucas has a blocking minority in Ducellier, which could cause Ferodo problems in its general reorganisation strategy for the industry; but, at the same time, the British company has not got the all-out control it was seeking.

## Pressure

The Ducellier case once again illustrated the determination of the French authorities to arrive at a rational reorganisation of the industry. Just as at Marchal six years earlier, they were able to put pressure on the foreign bidder by failing to give the necessary investment approvals. When asked what pressure the Government brought to bear on the Ducellier situation, Boisson gives a transparently discreet answer: "The Government was at the origin of the creation of a French electricals industry



strong enough to survive world competition. Ducellier was the final step in this strategy."

How the French and British companies manage to settle their differences and work together in Ducellier still remains to be seen. But it is clear that Ferodo has now arrived at the last significant move in the internal reorganisation of the French motor electricals industry. The country can in future boast a producer which approaches the size of Lucas in the UK or Bosch in West Germany, and which has a spread of products right across the range of electrical equipment.

Whether this means that Ferodo is also comparably strong in international competition is another matter. At a financial level, competitors tend to argue that Ferodo's returns are still very average for the industry: its net profits last year amounted to only FFr 154m (\$37m) on a turnover of FFr 4.6bn (\$1.2bn). But success also depends on other factors, such as the steps that are being taken to strengthen the product base and move into world markets. Boisson explains the company's strategy in the following way:

First of all, in terms of finances, it expects results to improve as the electrical companies which have come into

the company are fully absorbed. The group has gone through a period of rapid growth through acquisitions which can only be expected to produce returns over the longer term: first of all, the products have to be integrated and rationalised.

Secondly, in certain product areas, the group is already in a powerful position. Ferodo's output breaks down into two main ranges of equipment—the products which were made by the original company as it existed up to 1970, and the electrical components which are grouped in the separate SEV holding organisation, in which the parent company has a majority stake. The group is currently stronger in its traditional products, basically related to the friction materials which were first licensed to it in 1923 by Herbert Frood of Derbyshire. In this area, apart from brake linings, Ferodo makes the Verto range of clutches which are among the most well-established marques in Europe.

This side of the business also includes Sofica radiators, heaters and air conditioners, a division which has received a big boost in recent years following its development of a cheap aluminium radiator. Output has been growing by 20 per cent a year.

Under SEV, there are three main divisions, Cible, making lights, and Marchal and Paris/Rhone manufacturing the standard range of electrical products. The star of this sector is unquestionably Cible, reckoned to have about 30 per cent of the European market, and one of the fastest growing companies in an industry which has been rationalised extensively in the last decade.

Thirdly, the group is already beginning to make its mark on the international scene. In Italy it employs about 1,500 men and produces virtually the full range of its equipment: in Spain it makes lights, clutches, heaters and windscreen wipers; in Germany it has a fairly wide spread of manufacturing and in the UK it is moving to move into clutch production. Further afield, it also has footholds in Brazil and Argentina.

These product and marketing developments, however, are only regarded as a baseline by Ferodo. The company will be forced in the next few years, Boisson argues, by increasingly tough competition, partly because the period of rapid growth has vanished for good in the motor industry, and partly because of market standardisation.

"The motor industry has now taken on a world dimension. There is no room for new vehicle producers, and those that remain must have a grip on as many markets as possible, including Eastern Europe. We cannot escape from the same law as the manufacturers. One is condemned to have an international policy."

So how will Ferodo face up to these pressures? First, says Boisson, it will try to diversify more. This policy takes it back to the late 1960s, when about 18 to 20 per cent of its output was in non-motor activities.

Since the absorption of the electrical companies into the group, this ratio has gone down to 10 per cent, but bit by bit Ferodo is now adding new interests. These include building industry products and a specialised heavy transmissions company, SOMA. Secondly, it will have to consolidate its position in some key components. This is particularly true in several of the electrical products, where it has not yet

displayed the technological or manufacturing strengths which it has shown in, say, lighting equipment and radiators. These limitations explain the importance of the Ducellier acquisition. On the one hand, it links Ferodo with a company which has a relatively strong position in the fast-developing electronics sector; on the other, it will make available much improved manufacturing economies. "Forty to 50 per cent of the average French car is made by component producers. We must be as competitive in series production as the American or Japanese manufacturers if we are to get prices down."

## Development

Thirdly, it needs to continue the development of its overseas network of interests. This is particularly important in the U.S., where the size reduction in American cars is leading to a miniaturisation of components which gives Europe an opening not likely to crop up again. Companies like Ferodo know only too well that they will face a new wave of U.S. competition in components in the next five to ten years as the American competitors learn to make smaller products. So they aim to get in first: Ferodo has already made the decision to start a radiator manufacturing plant in the U.S., and is aiming to start manufacturing clutches as well.

The biggest question for the group now, however, will be whether it can draw full advantage from its link with Ducellier. The strategy of both the Government and the company makes it important that Ducellier weighs in on the international scale. But the level of integration Ferodo can achieve will depend to a large degree on Lucas.

The only thing that can be said with certainty on this problem is that Ferodo has plenty of experience of the English. Ever since its foundation by Ferodo of the UK, it has run a joint research deal with the UK company, and it still has a Ferodo representative on its Board. "Which goes to show," says Boisson, "that co-operation between an English and French company is perfectly possible."

## PAINE WEBBER INC.

Paine Webber Mitchell Hutchins  
International Inc.

Paine Webber Jackson & Curtis  
Securities Ltd.

have moved their London office to:  
11/12 Finsbury Square,  
London EC2A 1AS

Telephone: 01-628 2050

Telex: 885803 Equity Dept.

885539 Eurobond Dept.

## EXECUTIVE HEALTH

Exam stress:  
for parents

EY DR. DAVID CARRICK

MANY TIMES I have written on stressful factors which can be deleterious to the health of executives. Domestic problems have been discussed but I have never considered those educational problems encountered by offspring and heavily shared by parents.

An old, hot chestnut, calculated to aggravate the young, is the lofty observation: "When I was your age, everything was far more difficult." In one major respect, this claim is totally false these days.

I refer to school examinations, which seem to be far more difficult in every respect than they were 25 years ago. Many of the subjects are absurdly complicated and frequently obfuscated by ambiguity—something carefully avoided in earlier days. As an example of this I would quote from an "O" level paper on that nebulous subject sociology: "What has affected fertility since the Second World War?" The student had to presume that human fertility was in ques-

tion, not that of birds and bees. Assuming the former, then the correct answer should have been: "Nothing." The examiner would not have liked that; but just because he was incapable of understanding English, he had no right to assume that the wretched examinee had to deduce that, for fertility he should read birth-rate.

What has this to do with the health of executives? A great deal, because, during the period of offspring is preparing for these exams many students attempt to obtain help and elucidation from their parents. If, as the result of teaching methods, or because the query involves astonishingly recondite knowledge, no help can be given, then the parent suffers from the stress born of false inadequacy, as he feels that he has failed his children and thus lost face forever.

As for the exams themselves, some parents await the results in a state of chronic trepidation. My daughter took three "A" levels recently (having obtained "O's" in diverse subjects). One of these was mathematics, with which I could not even try to help. Another was English literature, which was expensive in the multitude of books required, and I am afraid that my interpretations of questions set were always at variance with those who were supposed to be teaching her; so I soon learnt not to interfere save only to encourage her to go along with the weird notions propounded by these mentors.

But with Human Biology, surely I should have been of assistance. Wrong again, because of my naive belief that the subject involved meant what it was called—a study of the human, living body from the anatomical, biochemical and physiological angles.

Alas for human frailty! The examination paper did not confine itself to reason. A few of these proper sections were covered; but there were other questions far removed. The girl had worked very hard and had just penetrated the outer suburbs of knowledge; but she could hardly have expected to be faced with questions on bacteriology, pathology, venereology (there being no fewer than seven questions on gonorrhoea and its complications), surgery, forensic medicine, paediatrics etc. And there was even one stunner concerning heat-regulation in old Darwin's dilemma, the duck-billed platypus!

Had she passed I would have been dismayed. As it is, I can but praise her efforts that put Hercules to shame. Other parents may not be so placid. To them I suggest that they turn their stress into constructive anger and attempt to direct the authorities into the path of sanity for their own sakes and for those of their children.

## McLEOD RUSSEL

## 1979 Highlights

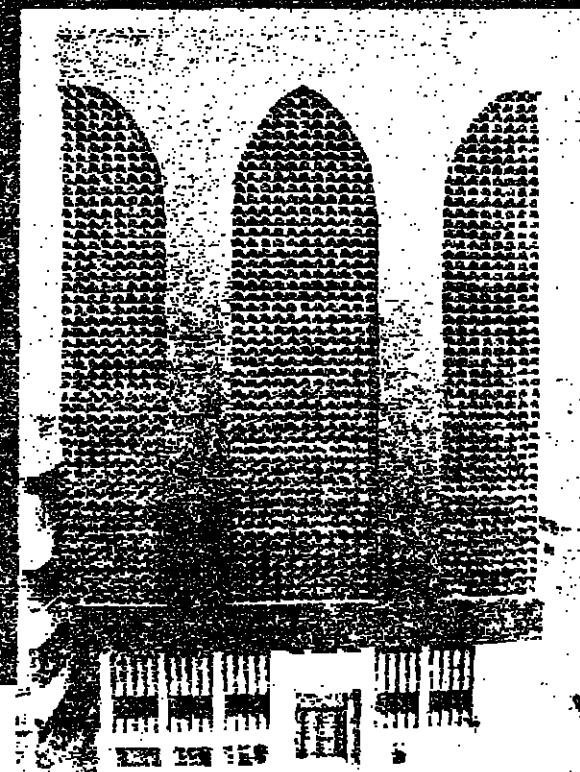
Salient points on the year to 31 March, 1979 by Sir John Brown, The Chairman

- \* During the year Arthur Edge & Co. Limited was acquired while the purchase of a part of the Pinnerwood Park Estate has just been completed.
- \* It is proposed, subject to Indonesian Government approval, to develop a substantial area in oil palms in that country.
- \* Brechley & Co., Limited has installed a 5-colour rotary gravure printing machine of the latest design and has moved to new and larger premises in the Southampton area.
- \* Significant increase in excess of market value of listed investments over cost thereof.
- \* Tea companies performed well but results were affected by higher taxation and disappointing prices realised through availability of surplus supplies on Indian market consequent on the fall in exports due to the levy of export duty which, however, has now been removed.
- \* With the prospect of increased exports of quality teas at acceptable prices the Directors look forward with cautious optimism to a satisfactory year for the Indian businesses notwithstanding increasing costs while results outside India should show some improvement.
- \* The continuing strength of sterling will, if sustained, affect the value of repatriated rupee funds available for redeployment.

COMPARATIVE RESULTS	1979	1978
Turnover	£000's 18,256	£000's 21,293
Group profit before taxation	4,177	8,522
Taxation	3,296	6,284
Profit after taxation and minority interests	624	1,912
	p.	p.
Earnings per Ordinary share	13.25	45.21
Ordinary dividend	13.60	13.50

Copies of the Report and Accounts are available on application from The Secretary, McLeod Russel & Co., Limited, Victoria House, Vernon Place, London WC1B 4DH.

If you want to  
succeed in the Middle East  
talk to the biggest bank  
in the Middle East



Our financing resources run into billions of dollars. Our clients include governments, institutions and multi-national companies.

Using the latest computers and advanced electronic equipment, we provide a highly sophisticated international banking service.

We are involved in foreign exchange. We provide short, medium and long term loans. Negotiate and discount bills. Handle bond issues. Syndicate world-wide loans. Underwrite securities. We're

market makers. And we're involved in joint ventures and project finance in a big way.

With billion-dollar assets and a unique combination of local insight and global sophistication in finance, it's hardly surprising that we're the biggest and most successful bank in the Middle East.

We'd like to share our knowledge and success with you.

Talk to us about your own special financing requirements.

البنك التجاري  
THE NATIONAL COMMERCIAL BANK  
Our business is to help your business.

Head Office P O Box 3555, King Abdul Aziz Street, Jeddah, Saudi Arabia  
Tel: 33580/4, Telex: 401086 NCBGEN SJ















# The cost of political opportunism

FOR THE indomitable Mrs. Indira Gandhi the wheel has almost turned full circle. Her followers have already launched the slogan "Call back Indira, save the country."

When the Janata Party trounced Mrs. Gandhi's Congress Party in the 1977 elections, there was widespread euphoria over the end of a rule which had lasted for 30 years. This was heightened because of what was thought to be an enlightened electorate's commitment to democracy and its rejection of Mrs. Gandhi's authoritarianism.

This proved to be only partly true. It was really only the opinion of intellectuals in New Delhi's artificial atmosphere much removed from the hundreds of thousands of villages where the bulk of India's 850m population lives.

What the politicians and intellectuals failed to appreciate was the rejection by the largely rural electorate of a system that had catered to the urban needs of, at best, 50m people. During three decades of Congress rule the economy made considerable strides measured in terms of Western concepts of growth. There was a slow but steady rise in GNP of an annual average of 5 per cent that made India the tenth industrial power in the world and self-sufficient in food.

But the poverty and squalor were still there when Janata came to power in 1977. An estimated 420m people were illiterate and nearly 400m lived below the arbitrarily defined poverty line of \$5 a month. Nothing has changed. The issues which should have been before the politicians were poverty, unemployment, illiteracy and disease.

During the 28 months that Janata was in power, it did attempt to give a new orientation to the strategy of economic development. The new industrial policy with its accent on the



small, cottage and rural encouraged decentralised industrial growth and rural employment, and a new priority for agriculture gave fresh hope to farmers. But even Janata stalwarts now admit that what was done was very far from fulfilling the expectations of the people.

The main reason for the collapse of the Janata experiment—a combination of five disparate parties that never managed to merge—lay in its inability to shake off the traditional methods and manners of Indian politics. Congress, which had plagued India for Congress's 30 years of rule, forced the leaders to give secondary importance to the country's major problems.

Several factors combined to bring down the Janata Government and its 24-day successor, the Janata (Secular)-Congress coalition. On the one hand were manoeuvrings of individuals, factions and parties. On the other was a belief that an early General Election would be held since it was becoming increasingly clear each day that the Janata party and Government would not survive its full term to 1982.

## Unreal

Personal rivalries—first those between Mr. Morarji Desai and Mr. Charan Singh and then between Mr. Charan Singh and Mr. Jagjivan Ram—dominated the political scene to the exclusion of other issues. Starting with what now seems an unreal quarrel over "secularism" as it manifested itself on the issue of Hindu nationalist Jana Singh's links with the para-military Rashtriya Swamishwari Sena (RSS)—the issue has since receded into the background—it degenerated into a quarrel over caste politics. Mr. Charan Singh is a Jat (of a high-caste agricultural community) and his antagonist was the Harijan (untouchable) leader of the opposi-

tion, Mr. Jagjivan Ram. Both issues are neither unreal nor unimportant since the problems of secularism and caste have long caused social and political tensions that have divided the Indian people. What is disquieting is the opportunistic manner in which the politicians exploited them.

The kind of political manoeuvring displayed in the past few weeks was until recently confined to state politics. For some 15 years, state governments have topped like dominoes because of defections from parties by politicians. This became so acute that recently Parliament actually debated an Anti-Defections Bill which required deserting legislators to resign their seats and seek reelection. The Bill never became law because of quibbling by politicians in Parliament who belong, after all, to the same tribe.

When Mr. Charan Singh and his followers left the Janata Party and formed the break-away Janata (Secular) Party a month ago, the phenomenon of defections arrived on the national scene. The defectors tried to make a distinction between a party split and a defection. But the politicians stand exposed: events have shown how weak are their convictions.

Mr. Charan Singh, the stern guardian of anti-authoritarian forces, became Mr. Gandhi's friend in what he confessed was his life-long ambition to be Prime Minister. This he finally achieved, albeit briefly (although he continues as the caretaker Prime Minister). The left wing Mr. H. N. Bahuguna, a sworn enemy of Mr. Charan Singh who had earlier called him a KGB agent, unhesitatingly became Finance Minister in his cabinet.

Among the younger politicians, the greatest fall was that of Mr. George Fernandes, the former militant trade unionist who seemed to have had a remarkable success as Minister of Industry. In one week, he demolished his image by a piece of opportunism that was breathtaking. He stoutly defended Mr. Desai in Parliament one day and went over to Mr. Charan Singh the next to stand on the side of Mrs. Gandhi whose bitterest opponent he had been.

With India's political parties breaking up into innumerable splinter groups, the state, sidestep, politicians have lost their credibility. There is now visible in towns and cities a deep revision over the manner in which they have changed sides and views. Many fear that by doing so, the politicians are dividing not only their own graves but also that of parliamentary democracy.

The slims are not propitious for any great improvement after the elections. For one thing, it seems that the era of national parties is over. The Congress ruled for 30 years mainly under the leadership of the late Jawaharlal Nehru and his daughter, Mrs. Gandhi. The Congress is now divided into three splinter groups, of which Mrs. Gandhi's faction alone is gathering strength. But none has a national power base. Even in South India, where for a while Mrs. Gandhi seems to have emerged as a key figure, the party has split. In its place have emerged local leaders with their power bases in their own states.

The new development in the past 28 months has been the strengthening of regionalism and regional politics. In the East and North-East, the Marxists have emerged as powerful and it is unlikely that they can be challenged by any of the national parties in such states as West Bengal, Tripura, and Assam. In the south the regional parties are even smaller, owing their allegiance either to single individuals (for example, Mr. Devraj Urs in Karnataka) or a local group (like the Dravida Munnetra Kazhagam in Tamil Nadu, which climbed to power on a language issue).

## Oblivious

In northern India, the Sikh Akali Dal dominates the Punjab while Kashmir has its own political system in which Sheikh Abdullah and his rivals contend for power within the state. Oblivious of what happens in the rest of the country, local groups also abound in the northern states but the battle-ground for the national parties is really the Hindi-speaking northern belt, especially the populous states of Uttar Pradesh, Bihar, Madhya Pradesh and Orissa, although this must be qualified by the fact that factional politics are crucial there also.

Of the national parties, Janata lies badly bruised, if not mortally wounded. It is led by Mr. Jagjivan Ram who has national appeal as a leader of long standing, apart from the lower-caste votes that he will attract because he is a Harijan. Indeed, the Janata's main complaint will be that a Harijan was prevented from becoming Prime Minister. But its dominant element is the Jana Sangh. Although it is the least besmirched by the mud of opportunism, it stands isolated because of links with the much-maligned RSS with which it must make a clean break if it aspires to national status.

The other national party that can expect to contest the election is the Janata (Secular)

in commissions of inquiry appointed by the Janata government.

Yet a recent opinion poll conducted by India Today magazine shows that an astonishingly high 48 per cent of the people in urban areas—affected by Sanjay's sterilisation programme—want her back as Prime Minister. Mr. Morarji Desai is wanted by just 19 per cent while only 14 per cent opt for Mr. Jagjivan Ram. Even more curious is the finding that 64 per cent of those polled feel that the country was better off during the emergency. Just 26 per cent plumped for the Janata. Mrs. Gandhi must be drawing much comfort from the fact that an independent poll has substantiated her opinion of herself.

But Mrs. Gandhi must also be aware that the climate of opinion in the country is totally different now from what it was during the last general elections. If the people were dissatisfied by her in 1977, they are disillusioned with all politicians now.

## Issues

The issues that the elections will be fought on are difficult to identify, although both Mrs. Gandhi and Mr. Charan Singh say they are the champions of democracy and secularism while the Janata Party says it will not yield to authoritarianism.

While they prepare for the hustings and bargain with the powerful regional parties that have emerged, the country is threatened with neglect for another three months. The economy has been moving under its own momentum for nearly three years because of surplus food stocks and substantial foreign exchange reserves. But inflation has reared its ugly head for the first time in three years—it is running at 15 per cent—and to tackle this needs immediate decisive action.

## Letters to the Editor

### Registration of engineers

From the Technical Director, General Electric Company

Sir,—In his letter of August 17 the secretary of the Institution of Electrical Engineers welcomed the General Electric Company's initiative in sponsoring an engineering degree course tailored to meet industrial needs.

It is unfortunate that he coupled this with a re-statement of views in support of statutory registration and reservation of "certain engineering work of particular significance to the community" to such registered engineers.

GEC is engaged on many projects which come within this definition, but we rely on the experience and responsibility of identified members of our engineering and scientific staff, and that of their opposite numbers in customers or approving authorities for such work, to ensure standards of performance and safety, rather than on a class of engineers who by education and training would qualify for registration.

The only justification for registration of members of a profession is protection of the public. Engineers and scientists in manufacturing industry do not have a relationship with members of the public which would call for this, so that their registration and the concomitant policing of their activities would involve creation and growth of a new and burdensome bureaucracy to no good purpose.

In our view there is not a case for registration of engineers in manufacturing industry, and introduction of reservation of certain work to registered engineers would be to the disadvantage of both industry and its customers.

R. J. Clayton,  
Hirst Research Centre,  
East Lane, Wembley, Middlesex.

### Courses at all levels

From the Engineering Director, GEC-Marconi Electronics

Sir,—It was gratifying to read (August 17) of Mr. Gainsborough's welcome to the new degree course being developed jointly by ourselves and Bath University. The point he makes concerning the needs of the majority who are not so highly gifted academically is timely. We are hoping that the principles upon which the Bath course are based will be applied in ordinary degrees and the lower level courses designed for technicians. A knowledge of support technology is vital to all engineers operating in industry, whatever their academic level and whichever branch of product engineering they may choose.

I would agree with Mr. Gainsborough that the lower the academic level, the more appropriate it is for courses to become more specialised, but we need engineers at all levels who can act professionally to the benefit of themselves, their employers and of the community to which they belong. For that to happen they need a knowledge of all the factors outside the boundaries of a particular product discipline; without this their contributions are

likely to be technically interesting but costly to make and impractical in use.

This belief in the importance of engineers at all levels acting professionally is only one of the reasons why we do not favour the concept of registration that have been put forward by some interests to the Finistom Committee.

High Wassell,  
GEC-Marconi Electronics,  
Marconi House,  
Chelmsford, Essex.

### Too many cuts a mistake

From Dr. A. Budd and Professor T. Burns

Sir,—While we accept that the misunderstanding is partly our own fault, we would like to correct the impression given in your leading article of August 24 that we advocated an increase in the public sector borrowing requirement in 1980-81 of £13bn. Last year's report (August 23) went even further and due to an arithmetic error suggested this would imply a figure of £13.4bn.

Our analysis (subject to normal forecasting error) concluded that an increase in the PSBR of £3bn would lead to the same monetary stance as 1979-80 after allowance for inflation and the expected recession. We did not, however, say that this was the correct policy. We agree with you that there should be a progressive tightening of monetary policy, while the current high interest rates and pressure from the "corset" suggest that the PSBR is currently too high.

We thought our own preference for a tightening of financial policy next year was implied in our article but obviously this was not stated sufficiently clearly. We did not wish to put a precise figure on our preferred PSBR. Our main objective was to warn against excessive cuts in public expenditure cuts in a mistaken attempt to reduce next year's PSBR below this year's target regardless of the expected world slow-down. We believe that such a policy would be a serious error.

(Dr.) Alan Budd  
(Professor) Terry Burns,  
London Business School,  
Sussex Place,  
Regents Park, NW1.

### Direct labour organisations

From the Deputy Director, Aims of Industry

Sir,—News that yet another local authority direct labour building organisation (DLO) has been severely criticised by the Government auditor emphasises the importance of the Government's proposed legislation to control DLOs and to reduce local government waste. It would be extremely damaging to the economy if this latest attempt to deal with such a long-standing scandal in public sector management failed to achieve its objectives.

The auditor's report—on the London Borough of Brent's DLO—has a familiar ring: substantial overspending, long delays in completing work, final accounts not produced, doubtful accuracy of records, low

productivity. A large discrepancy between losses admitted by the DLO and the higher figure stated by the architects indicates how little control a council has over direct labour operations. Yet the leader of Brent Council favours expanding the direct labour force.

This and many other cases of direct labour failures demonstrate how much legislation is needed to establish proper machinery compelling these organisations to justify their existence by showing that they produce value for money. The Government's proposals for legislation based on the 1975 report from the Chartered Institute of Public Finance and Accountancy (CIPFA) go a considerable way to meet this need. There will, however, have to be a clear financial yardstick for DLOs to meet and Government power to deny them further finance if they fail.

Some reports of the Government's intentions unfortunately create the impression that the CIPFA report was accepted by the construction industry. As the Government's discussion document makes clear, the industry considered it "a useful basis for action." It is only a basis and without significant strengthening, legislation based on the report would be as ineffective as direct labour reforms attempted 10 years ago. A great deal of public money has been lost since then.

Malcolm Hoppé,  
Aims of Industry,  
40, Doughty Street, WC1.

### Executive perks

From the Director-General, British Institute of Management

Sir,—I was interested to read David Freud's (August 24) comparisons on executive perks world-wide. There is no doubt, as the Government's discussion document admits, that the habit of offering fringe benefits (most of which are taxed in some way) to attract and retain skilled professionally qualified managerial staff has grown rapidly.

If, as David Freud states, British companies appear to lead the developed world in the provision of fringe benefits to employees, there is a very good reason for this. Namely that the growth has been brought about under a system whereby salary increases have been restricted by pay policy and incomes have become highly taxed.

Equally there is no doubt that adding a lot of fringe benefits to a salary is not the most efficient nor satisfying way of remunerating managers. There is a good case for paying people proper competitive salaries and ensuring that taxation allows them to keep and spend as they wish a higher proportion of their salary.

The development of all types of benefits has been going on for some years and to change these is not as simple as it sounds. Furthermore, many eminently sensible additional benefits have been developed over the same period as part of a deliberate policy by both unions and employers aimed at improving terms and conditions of employment.

These include improved pensions, extended sick-pay, longer

allowed absence when sick, longer holidays, death in service insurance, accident insurance, free medical check-up, free convalescence and so on. All sensible developments in employee policies. How will these be dealt with? If travel to work by car is not equitable, what about travel concessions by bus, air and rail for those in those industries? Concessionary coal? The subsidised season ticket? It is a very complex situation.

The level where a company car, for instance, is most appreciated is that of a middle manager and unfortunately it is this group that has suffered most with narrowing of differentials and the combined effects in pay policy, high taxation and inflation in the last five years.

It is regrettable that this move of companies has, by its bad choice and bad timing, raised the furore it has at a time when so much support and encouragement is needed, especially because most managers recognise that there is a case for reviewing the whole field of fringe benefits. A piecemeal approach can only lead to the emergence of more anomalies. What is needed is a comprehensive approach, a better understanding of the whole complex field by Government, trade unions and management; the development of an overall policy, and time to implement it as the Government's own programme of tax reduction develops.

Roy Close,  
Management House,  
Parker Street, WC2.

### Fringe benefits and tax

From Mrs. C. Dunn

Sir,—Your correspondent from the Institute for Fiscal Studies (August 22) rightly draws the fallacy of "grossing up" the taxable values of benefits in kind. He is also right when he says that the taxable value of a fringe benefit should never exceed what it would cost the individual to provide it for himself. But he fails to mention that under existing tax laws many of the common fringe benefits—namely cars and cheap loans—are assessed in purely nominal sums upon directors and higher-paid employees and not at all upon those employees whose earnings, including benefits, do not exceed £8,500 a year.

Only as regards a very limited range of benefits is an individual taxed on a sum which corresponds closely to the amount he would need to spend from his own pocket to secure those same benefits. Thus only when all benefits enjoyed by all employees—not merely directors and higher-paid employees—are assessed on this basis will it cease to be advantageous to take part of a remuneration package as fringe benefits. Despite the Inland Revenue's consultative document that day is a long way off.

Fringe benefits are here to stay: to tax them adequately—let alone fully—is a Herculean task akin to cleaning the Augean stables and is probably beyond the ability of any Government within the foreseeable future.

(Mrs.) C. F. H. Dunn,  
3 Wellington Court,  
Wellington Road,  
Hampton Hill, Middlesex.

## Today's Events

### GENERAL

UK: Association of Scientific Technical and Managerial Staffs and the Society of Civil and Public Servants launch a booklet and a campaign against current attacks.

Clerical and administrative staff strikes close inner London magistrates' courts.

Mr. Alasdair Milne, BBC TV managing director, and Mr. Bill Cotton, controller of BBC1,

present autumn season programmes.

Overseas: Mr. Walter Mondale, U.S. Vice-President, in Peking for talks with Chinese leaders on economic and trade issues.

U.S. Commerce Department, Washington, publishes July trade figures.

COMPANY RESULTS  
Interim dividends: H. Brammer

and Co. Fairchild Construction Group, IMI, MacFarlane Group (Clansman).

COMPANY MEETINGS  
See Financial Diary on Page 18.

EXHIBITIONS  
International Motor Cycle Exhibition, Earls Court (until September 1).

Images of the Industrial Revolution, organised by the Ironbridge Gorge Museum, Royal Academy of Arts, Piccadilly (until November 17).

LUNCHTIME MUSIC, London  
48 Preludes and Fugues by Bach, played by Harold Dexter, St. Botolph Aldgate, 1.00 pm.

Works by Bach, Stanley, Mozart, Langlois and Bonnet, played by Andrew Leach (organ), St. Lawrence Jewry next Guildhall, 1.00 pm.

# How to make sure the builders finish before the grants do

If you're contemplating a new building in any but the most depressed parts of Britain, you have about 18 months to get it up before the regional grants are drastically cut—or disappear altogether.

Plenty of time? Not when you remember that if you go about it the conventional way you'll spend a third of it getting tenders in.

For Bovis, though, it is time enough. For one thing we don't tender. There is a better way for you to make sure you get value for money, and it doesn't waste time either. It is called the Bovis Fee System, and we shall be happy to explain it to you any time you like.

We not only get onto your site far sooner, but we work faster when we're there—and that's another claim we shall be happy to substantiate. It rests on our management skills; management is Bovis's great contribution to a contract, and it has won us a reputation for prompt delivery which we are determined to keep.

So if you want to make sure you don't miss out on a grant, talk to Bovis. The number is 01-422 3488 and the man to talk to is John Gillham.

Bovis Construction Limited,  
Bovis House, Northolt Rd, Harrow, Middx, HA2 0EE. Tel: 01-422 3488 Telex: 912810  
Please send me details of your services

Name

Company

Address

Tel:

**Bovis**



## Dowty to expand by acquisitions

FURTHER acquisitions must be sought by the Dowty Group, particularly in the United States, Sir Robert Hunt, the chairman, tells shareholders in his annual report.

This is because of the need to expand, to develop strong manufacturing bases to remain competitive, and to take full advantage of the real growth over the next decade in alternative energy development and aerospace.

The chairman says the additional capacity will ensure a growing outlet for the group's technical effort, product development and the base units on which the group's systems rely. In the year ended March 31, 1979, profits before tax improved from £236.7m, against £188.4m, CCA profit is reduced to £23.4m after adjustments for depreciation, £2.4m, cost of sales, £6m and £0.7m gearing.

As reported, the chairman says further growth in turnover and profit is expected for the current year and the general trend is upwards.

A further year with a positive cash flow has maintained the strong balance sheet achieved in prior years and the group remains in a good position to continue the high rate of capital investment, the chairman says.

Capital investment in fixed assets and tooling, etc. rose from £8.8m to £13.4m in 1979. A further £3.3m was invested in working capital. In spite of these considerable investments liquidity improved by £1.8m, and borrowing was reduced by £0.3m net.

The valuation of the group's freehold properties has been updated and the resulting surplus of £7.2m has been credited to non-distributable reserves.

It has been decided to recommend a one for one scrip issue and accordingly £33.4m has been earmarked from reserves for this purpose.

The production of equipment for "in-service" aircraft was maintained at a high level and will continue for some time to come, Sir Robert states. The rate of output for the Panavia Tornado increased substantially and is now the group's largest single programme.

In mining, record sales to the National Coal Board were achieved, and substantial contracts to China. In the U.S., manufacturing and assembly facilities were extended at Pittsburgh.

Home market demand for industrial seals and mouldings slackened in the second half but considerable growth was achieved in the U.S. and Canada, Germany and France. Export markets for hydraulic products improved further.

The order book for the electronics division is satisfactory and further product and market growth is expected this year, the chairman says. Efforts have been intensified in the use of microprocessors and in the development of micro-electronic technology.

Pre-production units based on microprocessors will be flying in aerospace applications and will be used in automotive and industrial applications during the current year.

Meeting, Cheltenham, October 10 at 11 a.m.



Sir Robert Hunt, chairman Dowty Group

## Kennedy Smale sees midway fall

A FALL in both turnover and profit at Kennedy Smale for the half year to September 30, 1979, is forecast by Mr. A. M. Johnstone, chairman, in his annual statement.

He says the difficulties of the last three months of the previous year have carried over into the first quarter of the current period. To these are added the substantial loss of turnover and the high costs caused by the closure of the E.J.S. factory at Great Barr and its removal to Bilston.

Mr. Johnstone states that it would be unwise to expect the whole of these losses to be recovered in the second half. However, the Board is confident and actively seeking opportunities to advance group interests.

As reported August 24, taxable profits for the March 31, 1979, year advanced from £400,724 to a record £574,557.

The company is an engineering concern with interests in control equipment and textile machinery.

### BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are intended or final. The following are shown below are based mainly on last year's timetable.

TODAY	
Interim: Anglo-American Investment Trust, H. Brammer, Fairclough Construction, IMI, International Thomson, Macfarlane (Clansman), Union Corporation.	
FUTURE DATES	
Interim: Kearsley	
Interim: G.T. Asia Sterling Fund	Sept. 5
Le Bus (Edward)	Sept. 28
Scans Northern Inv. Trust	Sept. 28
Wainwright	Sept. 28
Interim: Centinova Estates	Sept. 4
Douglas (Robert M.)	Sept. 12
Eschke House	Aug. 29
Staffordshire Pottery	Sept. 11

## KEARNEY AND TRECKER

Kearney and Trecker Marwin, the Brighton-based machine tool manufacturer, has now assumed management responsibility for Roever Automation of Denton, Manchester, supplier of automatic handling and conveying equipment for the engineering industry. Both companies are members of the Vickers group.

"This change has been made because the future development of Roever is seen to be more closely allied to Kearney and Trecker Marwin's forward marketing strategy in the field of automation."

## Lower Perak Tin Dredging Berhad

(Incorporated in Malaysia)

Extracts from the Statement by the Chairman,  
Encik Junus Sudin  
For the year ended 30th April, 1979

### Past year's performance

Production for the first six months of the year almost matched that of the corresponding period in the previous year. However, during the second half of the year outputs were disappointing as the dredge continued to work in lower grade ground. Total production for the year was 4,531 piculs compared with 5,346 piculs previously. Consequently, in spite of the higher tin price obtained from sale of tin concentrate and higher interest receivable, profit before taxation fell sharply from \$2,060,034 for the previous year to \$1,535,436. With an exceptionally low tax charge, due to the issue of major dredge spares during the year, the profit after tax was \$991,401; an increase of 15.55% over last year.

### Dividend

An interim dividend of 50 sen per share less Malaysian income tax was paid to shareholders on 31st January 1979. The directors do not recommend payment of a final dividend for the year just ended.

### Developments during the year

Pernis Charter Management Sendirian Berhad were appointed share registrars of the company in place of Messrs. Harrison and Crosfield (Malaysia) Sdn. Berhad with effect from 1st August 1978. The company's branch register in the United Kingdom was closed on 31st July 1978.

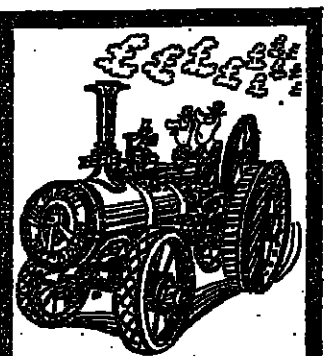
### Projections for the current year

Throughout the current financial year the dredge will continue to operate in low grade ground. It is also planned to shut the dredge down during the last quarter for modifications to the treatment plant so as to achieve greater efficiency. Design work for this modification is currently in hand. Because of the poor ground and the planned shutdown production is expected to fall significantly. If the tin price does not remain at its current high level, it may not be profitable for the dredge to continue working in this low grade area of the reserves. Alternative dredging schemes are therefore being considered.

Copies of the Report and Accounts are available from the Registrar, Pernis Charter Management Sendirian Berhad, P.O. Box 336, Kuala Lumpur 0102, Malaysia, or the United Kingdom Registrars' office at Charter House, Park Street, Ashford, Kent TN24 8EQ, and 40 Holborn Viaduct, London EC1A 3DF.

## OTHER MEN'S JOBS: DAVID FISHLOCK ON TRACTION ENGINES

# Hankering after steam power



Freddie Mansfield

ALONG THE trim lanes of South Bucks, you will often meet an old steam engine—a Burrell road roller or, if you're lucky, a Fowler showman's engine in all its golden splendour. It will be ambling along at about three mph.

The peak-capped crew of two will respond happily to greetings from other road users. Motorists normally respond with tolerance tempered by immense admiration for these relics of another industrial age.

In this part of the world, the chances are about five-to-one that the steam engine will bear the name T. T. Boughton of Amersham. This is a small, privately-owned engineering company which started in 1897 as agriculture engineers and contractors. It hired out steam engines to farmers for ploughing, thrashing or tree-felling; and, later, to road-makers and road-haulage companies such as Pickfords.

When Bernard Ruff, the works director, started work for T. T. Boughton, just 50 years ago, the choice of muscle for heavy work lay between steam and horse. From 1906, his father had been one of the company's engine drivers, and he too began work as a driver and engineer.

"They weren't good old days really," he reminisces. He had to rise at 4 am to get up steam. And when he had finished work for a farmer at 7 pm, he had another hour's work bedding

his engine down for the night. Often it meant sleeping away from home in the caravan he towed behind his engine.

But when Bernard Ruff returned from the army in 1946, he found his beloved steam engines displaced by the diesel. The company had a field of relics that nobody wanted. It managed to sell a few to the groundnut scheme for ploughing in Africa, but for T. T. Boughton, the steam age seemed to be over.

The company shifted into earth-moving equipment, army vehicles, fire tenders, winches "for every known tractor." They began to cut up several dozen steam engines and sell them as scrap.

Yet the Boughton family still hankered after steam. One of them owned a magnificent Fowler single-cylinder agricultural tractor called Black Jack, built in 1897, which was a 21st birthday gift from his father. Black Jack was reprieved. Round it the company has refurbished a flotilla of a dozen steam engines. No fewer than seven were on parade at a steam engine rally at Knowl Hill near Reading earlier this month. Black Jack itself took part in the Lord Mayor's Show in London last year.

T. T. Boughton today is the centre of a community of "steam buffs" known as the Chiltern Traction Club, whose members boast about 80 engines. They meet every month in the boardroom, and Ruff himself is their chairman.

There is no money in steam, says Ruff. "The problem with steam is that you work for an hour but talk for three. It's a terrible situation." Everything has to be custom-made, and every repair inspected and certified by the insurers.

So although he gets offered a great deal of work on old steam engines all over the country, he turns most of it away. It just does not fit in with today's engineering business.

But he can be persuaded to do repairs for his club members, and he will cheerfully tender advice to the others, as well as stocking special steels and parts they find it hard to obtain nowadays.

Work on steam engines—including the company's own engines—is done mostly in the evenings. The costs are trivial compared with a turnover of £8m last year, and are simply "lost in the accounts."

The company treats its activities in steam as an important part of community relations. By showing the engines off at steam rallies and village fetes within a radius of about 25 miles of Amersham, the directors raise money for charities such as the Samaritans.

Each of the engines averages about eight rallies per summer, which means that it is travelling every other weekend from May to September. Each engine steams about 150 miles a year.

Running costs are high, mainly because of the cost of steam coal. Each engine uses 4 cwt of coal for a day's steaming—say £10—and drinks a gallon of oil. A two-day rally can consume £1,000 worth of coal—which can mean a financial disaster for its organisers. If the weather is bad, on top of this comes £180 for the annual boiler inspection and another £250 for road tax as an agricultural vehicle.

Bernard Ruff often drives

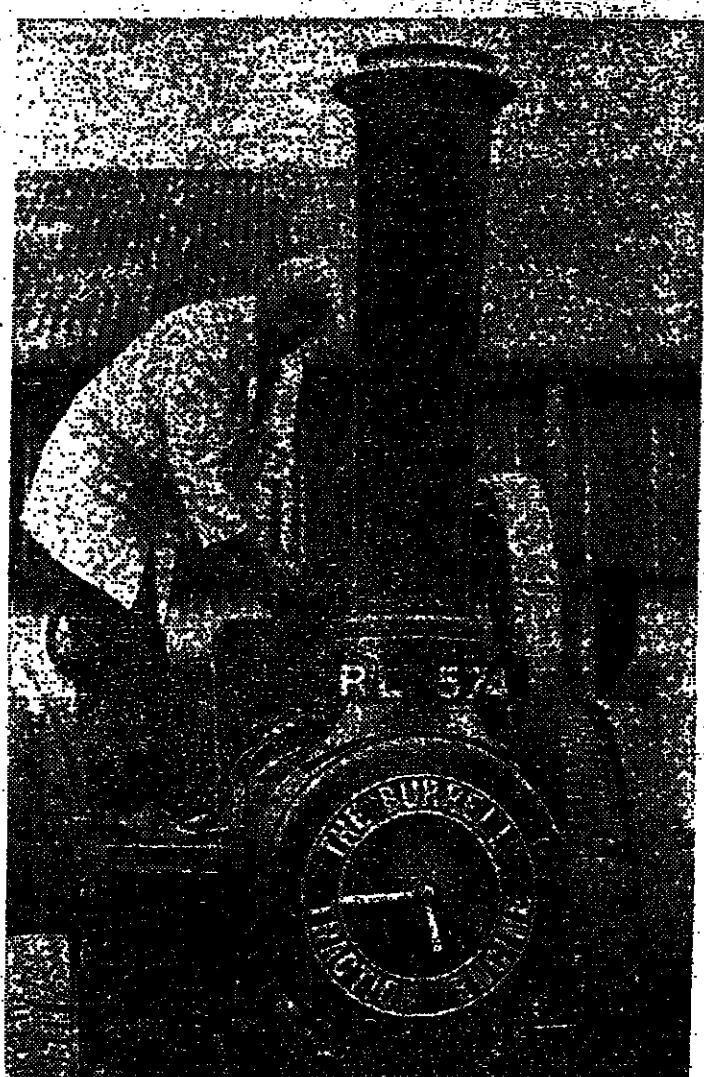
Black Jack, the engine his father once drove for T. T. Boughton. He also has his own traction engine, a 7-hp Burrell built in 1925 which he bought in the Isle of Man eight years ago. He got it for only £250 but it cost another £300 to get it home.

At the time the sellers did not appreciate its potential value, he recalls with a grin. "They soon caught on to me, but before he had persuaded them to part with another engine they were using to heat greenhouses, in exchange for a modern boiler he had at the factory."

Does T. T. Boughton ever sell engines nowadays? There is no doubt that it could. The company has been offered £15,000 for Black Jack, and Mr. Ruff believes it could fetch quite a lot more. But the answer is no. In fact the directors still buy them. They bought two defective Fowler tractors in Scotland for restoration only a few years ago.

Below Board level, however, the company's interest in steam is not so strong. Only about a dozen of the 300 employed at Amersham are members of the Chiltern Traction Club, and only one of his employees actually drives the engines. The rest of his drivers are accountants, salesmen and mechanics. Having nearly 20 years' experience, he admits sadly "You've got to be one of a special breed."

Tomorrow: How Ruff on steam traction engines



Bernard Ruff tends to one of his engines

Leonard Burr

## BRADY

INDUSTRIAL DOOR MANUFACTURERS

RESULTS FOR THE YEAR ENDED 31st MARCH, 1979

	1978	1975
Group Turnover	£900's	£900's
Group Trading Profit	19,247	17,312
Taxation	245	23
Deferred Tax written back (Credit)	(438)	Nil
Extraordinary Credits	46	Nil
Group Net Profit after Tax	18,610	17,290
Dividends Paid and Proposed	114	132

The Forty-Fourth Annual General Meeting of BRADY INDUSTRIES LIMITED will be held on 18th September 1979 in Manchester.

The following is an extract from the circulated statement of the Chairman, Mr. A. B. Ross Seymour.

The results for the year to 31st March 1979 show a distinct improvement on those of the previous year, the second half being more profitable, which is in line with the statement made in the Interim Report.

The Door Manufacturing and Engineering Division and the Transport Division returned to profitability following further rationalisation and re-development. The Merchanting and the Litho & Letterpress Divisions made good progress and contributions to profit.

A dividend for the year of 3 pence per Ordinary and Ordinary A share is proposed.

Order levels are currently satisfactory though the Government's proposed cut back in the Public sector must affect the Building Industry and consequently the Door Market.

## LOCAL AUTHORITY BOND TABLE

Authority	Annual interest gross	pay. Minimum of	Life
(telephone number in parentheses)	Interest	able	sum. bond
Barnsley (0226 203232)	12	1-year	250 3.5
Barnsley (0226 203232)	12	1-year	250 6.10
Knowsley (051 548 6555)	12	1-year	1,000 5.7
Redbridge (01-478 3020)	12	1-year	200 4.5
Redbridge (01-478 3020)	12	1-year	200 6.7

## FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross half-yearly. Rates for deposits received until later than 31.8.79.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	12	12	12	12	12	12	12	12
Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 51 Waterloo Road, London SE1 8XP, (01-928 7822, Ext. 367). Cheques payable to "Bank of England, a/c FFI". FFI is the holding company for ICFC and FCI.								

## City of London Courier Service Ltd.

City—01-251 1333 and 1330, 01-253 9548

SE1 area—01-633 9233

Personal Courier Delivery of your vital documents

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

SE1 area—01-633 9233

# Letraset INTERNATIONAL

## Letraset INTERNATIONAL

## Letraset INTERNATIONAL

## Letraset INTERNATIONAL

## Letraset INTERNATIONAL

## Letraset INTERNATIONAL

### Benefits of Diversification

Following purchases of Stanley Gibbons International, J & L Randall and Thomas Salter, Letraset is consolidating major phase of diversification. Will benefit from additional flexibility and security.

### Another Record Year

Profits before tax were up 42% at £10.5m. Earnings per share increased 16% to 19.26p. Total net dividend increased 20%.

### Stanley Gibbons Record Stamp Purchase

£4.5m purchase of outstanding American collection—largest ever by rare stamp dealer—will have significant effect on trading. Potential for expansion considerably greater than initial expectations.

### Prospects

Current year's trading at satisfactory levels.

Recently announced rights issue will ensure that we are able to take advantage of substantial growth opportunities which exist for group.

Copies of the Report and Accounts are available from the Secretary.

Letraset International Limited  
7 Apple Tree Yard, London SW1Y 6LD



## Companies and Markets

## INTERNATIONAL COMPANIES and FINANCE

## Increased earnings from Sime Darby

BY WONG SULONG IN KUALA LUMPUR

SIME DARBY reports another year of growth with group profits rising by 23.5 per cent to nearly 219m ringgit for the year ended June. Turnover rose by 6.5 per cent to 1.5bn ringgit.

The contribution to profits from Malaysia rose to 80 per cent of the group total profits from 78 per cent last year. The plantation results were particularly gratifying, benefiting from higher output and better commodity prices.

After-tax profits were 129m ringgit, an increase of 21 per cent. But profit attributable to shareholders, after deducting minority interest and adding extraordinary items, was 10 per cent higher at 57m ringgit.

Unlike previous years, Sime Darby is in the process of moving its domicile from London to the Far East—is declaring its dividend in Malaysian currency instead of in sterling. It claims that 80 per cent of its shareholders are resident in Malaysia and Singapore and the change in payment is to protect them from foreign exchange fluctuations. The total payment is 15 cents compared to 12 cents to which, for 1977-78, was added a special dividend of 1.1 cents.

In a statement with the annual results, Sime Darby disclosed the cost of the 29.9 per cent shareholding in Guthrie built up earlier this year at the time of the battle to acquire the plantation and industrial group. This is put at 194.6m ringgit.

At the end of the year, Sime Darby's net assets totalled 1.1 ringgit a share, against 1.1 ringgit a year earlier. Total borrowings are put at 99.8m ringgit, compared with 127.4m ringgit at June, 1978.

Elsewhere in Singapore, motor flour miller, Prima has lifted pre-tax profit by 4.2 per cent to 58.1m for the six months ended June 1979. Turnover declined by 10 per cent to S\$71.86m.

## Sales boost for RWE

ESSEN — Rheinisch-Westfälische Elektrizitätswerk (RWE), West Germany's major power company, expects results from the fiscal year ended June 20 to be satisfactory and favourable for an unchanged dividend of DM 8 per 50-share share.

In a letter to shareholders giving a preliminary report on its last fiscal year, RWE did not state earnings but said sales of the RWE group rose 16 per cent to DM 3,540m (S\$8.8m) in the year ended June 30 from the preceding fiscal year while the parent company's sales were up 10.3 per cent to DM 9,060m.

The company ascribed its satisfactory results to higher electric power sales which increased 7.1 per cent in the last fiscal year. In general, RWE said, its capacity utilisation had improved.

The RWE group's capital spending in the last fiscal year declined slightly to DM 2,310m from DM 2,220m while the parent's capital spending was up to DM 1,980m from DM 1,810m.

RWE will publish final results together with its dividend statement later in the year.

## Recovery at Commercial Banking

By James Forth in Sydney

COMMERCIAL BANKING (CBC) of Sydney has staged a dramatic recovery from its property-induced problems of recent years, to lift profits almost threefold from A\$1.7m to A\$5.17m (U.S.\$2.6m) in the year ended June. As a result, the dividend is raised from 13 cents a share to 16.5 cents and is covered by earnings of 58.6 cents compared with 17.9 cents.

The result is more than double the previous record for the bank of A\$1.5m in 1976. In the following year the CBC earned only A\$819,000 and suffered a loss in the initial six months because of problem property business in its finance company offshoot, Commercial and General Acceptance (CAGA).

CAGA improved from A\$5.5m loss in 1977-78 to a A\$2m profit last year, but it was the main banking group that produced the bulk of earnings, with profit rising from A\$11.3m to A\$24.8m. CBC earned more from its banking operations than Commercial Bank of Australia which reported last week.

The continuing benefit of changes introduced over recent years, particularly in the area of rationalisation, energy saving and other cost cuts, amounting to A\$5.6m, which balanced out drains on operating profits of A\$4.4m in personnel, depreciation and exchange movement losses.

## Foreign upturn for Monier

By Our Sydney Correspondent

OVERSEAS earnings up 50 per cent has enabled Concrete Industries (Monier) to record an increase in profit for the year ended June 30. Overseas operations in eight countries, contributed 55 per cent of the group result, but steady profits were earned in Australia.

Group profit rose 9 per cent from A\$12.2m to A\$13.3m (U.S\$15.1m), and the dividend is raised from 10 cents to 11 cents a share.

Earnings a share improved from 20.5 cents to 22.4 cents a share. Group sales rose almost 9 per cent to A\$219m, but the return on sales remained steady at 6.1 cents in the dollar. Trading in Australia was subdued for the greater part of the year, reflecting a mixed picture in the home building industry.

## Capital rise proposed by Rauma-Repola

By Lance Keyworth in Helsinki

AN AMBITIOUS capital spending programme coupled with an increase in capital is disclosed by Rauma-Repola in its half-year progress report. The company is one of the largest industrial groups in Finland.

Over the three years 1976-81, the company plans to spend FM 1bn (S\$260m) on capital investment with the largest individual amount earmarked for a paper machine to augment the two already operated by the paper and pulp division.

Against this background, the company plans an increase in capital of more than 60 per cent. Rauma-Repola is lifting its capital from FM 540m to FM 848m (S\$143m).

Rauma's net sales in the first half of the year came to FM 1.4bn. For the first time in four years, invoicing of the forest industry division is expected to exceed that of the engineering sector. Sawm goods production should exceed 1m cubic metres and the pulp mill is working at full capacity though prices are "not entirely satisfactory". The paper mill is working at 95 per cent of capacity.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

## Currency losses hit Toyota Motor

BY RICHARD C. HANSON IN TOKYO

JAPAN'S LEADING car maker, Toyota Motor, reports lower profits for the year ended June last, but predicts an immediate return to growth with a forecast that earnings for the current year will rise by a fifth. Net profit for last year which fell 12.2 per cent to ¥102,050m (S\$465m) despite an increase in sales of 7.1 per cent to ¥2,808bn. The result was hurt by foreign exchange and depreciation losses and a reduction in profits from the sales of securities. The company, had an exchange loss of about ¥150bn while securities sales net only ¥130bn, or ¥65bn less

than the prior year. However, the company, however, appears this year to be recovering rapidly in the current year. Net profit is forecast to rise to about ¥122bn on sales expected to hit the ¥3,000bn level.

Last year exports slipped 16.1 per cent to 1,207,150 units, with the biggest drops occurring in shipments to the U.S. and the Middle East. Exports to Europe were up 6.1 per cent in the January-June second half, but fell 12 per cent to the U.S. and more than 30 per cent to the Middle East.

Domestic sales, however, were

up a strong 21.2 per cent to 1,653,379 units as a result of strong sales promotion drives, and a favourable demand cycle. Total production was up 2.3 per cent to 2,860,239 complete vehicles and knock-down production was up 21.8 per cent to 75,730 units.

This year the market for cars seems to be reversing itself with exports rising healthily and domestic sales gaining only slightly. Exports are forecast to be up 16 per cent, while domestic sales will be up only 1.6 per cent. Production is expected to reach 3,080,000 units, up 7.7 per cent.

Sales in the U.S. market have been particularly good in recent months because of American demand for smaller, fuel efficient cars, which has led to a running down of inventories to just over one month's supply. The company is facing a similar inventory squeeze in other parts of the world.

Over the past year, Toyota was able to build up savings through rationalisation, energy saving and other cost cuts amounting to ¥50,600, which balanced out drains on operating profits of ¥45,400 in personnel, depreciation and exchange movement losses.

Over the three years 1976-81, the company plans to spend FM 1bn (S\$260m) on capital investment with the largest individual amount earmarked for a paper machine to augment the two already operated by the paper and pulp division.

Against this background, the company plans an increase in capital of more than 60 per cent. Rauma-Repola is lifting its capital from FM 540m to FM 848m (S\$143m).

Rauma's net sales in the first half of the year came to FM 1.4bn. For the first time in four years, invoicing of the forest industry division is expected to exceed that of the engineering sector. Sawm goods production should exceed 1m cubic metres and the pulp mill is working at full capacity though prices are "not entirely satisfactory". The paper mill is working at 95 per cent of capacity.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.

Order books in the metal sector were up at FM 3bn in June, double the figure for 1978. New orders for ships at the end of June were up 20 per cent on June 1978 and totalled about FM 1.2bn.







Indices

Japan and Markets

## INTERNATIONAL CAPITAL MARKETS

مكزات الأهل

## INTERNATIONAL BONDS

BY NICHOLAS COLCHESTER AND FRANCIS GHILES

## The need for stronger medicine

STRAW poll of major international investors in the dollar market indicates a dollar proportion in multi-currency funds of just 30 per cent. Fund managers remain almost unanimous in their view that the dollar should be the main investment vehicle in the money market or invested in short-term rates.

There is a rather unsteady majority who feel that the decline of high interest rates administered by Mr. Paul Volcker, the Fed chairman, will not be enough to bring the dollar back to its former position of dominance. A continuing strength of bank deposits, only reinforced by the fact that short-term interest rates need to go up still further before the market is expected to switch to bonds arrives.

On Friday morning, the six-month Libor rate rose by 1/8 per cent to 12 1/2 per cent, and the three-month rate to 12 1/4 per cent. This was all in line with its level a week earlier. With bonds currently yielding around 10 1/2 per cent, it is still more expensive for investors to carry inventory.

One of the mark-downs in dollar prices early in the week are attributed by dealers to inventory liquidations.

Secondary market prices fell by up to two points on the week and some dealers reported that institutions were not interested in swapping bonds, so prices were their current position to the market. It was therefore not surprising that, for the third week running, there was no sign of a new dollar straight issue but that Floating Rate Notes, geared to America's high and mounting short-term rates of interest, remained in demand.

The interest rate on the first \$100m tranche of the FRN for Citicorp was fixed last week at 11 1/2 per cent, the mean, between the bid and offered three-month London interbank rate. Last Friday's strong market rumours suggested that the entire financing of \$300m had been completed.

When this FRN was launched at the end of last month by Credit Suisse, First Boston it met with a very warm response from investors. That a second tranche of \$200m was released so quickly comes as no surprise considering the sharp rise in Eurodollar rates. If for instance, the first tranche of the Citicorp tap had been fixed

two days later than it was, the bond would have paid a coupon of 12 1/2 instead of 11 1/2 per cent. The \$75m FRN for Williams and Glyn's also met with a very good reception and the lead manager, Credit Commercial de

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged by Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayerische Landesbank today. The collector manager is a Kuwaiti house KETCIC, with half this issue having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue calendar decided by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

France, decided to advance the closing date for subscriptions to today.

Other major sectors of the dollar market remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

## CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
<b>U.S. DOLLARS</b>							
Citicorp	100	1983	3 1/2	—	100	Credit Suisse First Boston	—
Williams & Glyn's Bank	200	1983	3 1/2	—	100	Credit Suisse First Boston	5.32
Norges Kommunalbank	75	1991	12	5 1/2	100	CCF	—
Teed Norway	100	1999	13	—	—	Smith Barney-Harris Upham	—
Imperial Oil of Canada	250	2009	21	—	—	Salomon Bros., Wood Gundy	—
Siam Commercial	20	1984	5	7 1/2	100	Man. Hanover, Citicorp	7.64
<b>SWISS FRANCS</b>							
Danish Mortgage Bank	80	1991	n.a.	4 1/2	99	Swiss Bank Corp.	4.86
(2 1/2% Benchmark)	100	1989	n.a.	4 1/2	99 1/2	Swiss Bank Corp.	4.435
New Zealand	30	1989	n.a.	5 1/2	100	Banque Gutzwiller, Kurz, Bungeur	5.06
Bank Handlowy	41	1984	n.a.	4 1/2	100	Trade Dev. Bank, Sedot	4.75
<b>FRENCH FRANCS</b>							
Air France	120	1984	5	11	—	CCF	—
<b>GUILDERS</b>							
ASN	75	1984	5	8 1/2	100	ABN	8.25
<b>CANADIAN DOLLARS</b>							
Bell Canada	75	1986	7	10 1/2	—	UBS (Securities)	—
<b>YEN</b>							
Electrobras	10bn	1985/89	—	8.3	100	Nemura	8.47
<b>UNITS OF ACCOUNT</b>							
Copenhagen Ctry. Auth.	20	1991	5	8 1/2	—	Kreditbank Luxem.	—
<b>KUWAITI DINARS</b>							
Caisse Cen. de Coopération Econ.	10	1994	9.4	8	—	KIIC, Crédit Lyonnais	—
<b>Other currencies</b>							
* Not yet priced. ** Final terms. *** Placement. **** Floating rate note. ***** Minimum. **** Convertible. ***** Registered with U.S. Securities and Exchange Commission. **** Purchase fund.							

## U.S. BONDS

BY JOHN WYLES

## A tinge of pessimism

INVESTORS in the U.S. bond market appear for the moment to have lost their money in the search for a safe haven. The somewhat optimistic sentiment of early August, evidenced by Mr. Paul Volcker's elevation to the chairmanship of the Federal Reserve Board and evidence of economic slowdown has given way to uncertainty tinged with pessimism.

The reasons are not difficult to find. In two consecutive weeks the Fed has boosted its funds rate target, apparently leaving it standing at around 11 1/2 per cent on Friday—a target the Central Bank seemed to confirm yesterday by intervening to peg the rate when funds were trading at 11 1/2 per cent. The impact has been predictable with 90 day negotiable certificates of deposit being quoted at around 11.20 per cent yesterday, 30 basis points higher than the week before. An increase in the commercial banks' prime rate this week to a record 12 1/2 per cent will not surprise anybody and analysts believe that the prime rate's peak for the current cycle could well be 12 1/2 per cent.

On the one hand Mr. Volcker's Fed, is being credited, at least by many monetarists, with the painful medicine needed to get a grip on U.S. inflation which is still running at an annual rate of more than 13 per cent. But with the money supply continuing to grow at a rate which threatens the Fed's targets, the money markets are increasingly unimpressed about the timing and indeed the level at which the longed-for peak in interest rates will materialise.

This is one cause for the current lack of activity in the bond market which opened as quietly yesterday as it closed on Friday. The other important factor is that long-term bond rates have not yet matched the recent increases in short-term rates. Since the third week in June, when the market clearly began to move, Treasury rates have risen only slightly despite an increase of 75 basis points in the three month bill rate and 100 basis points in other money market rates.

Usually short and long rates have kept more in step but historical experience decrees that the long-term market does eventually make the adjustment and that when it is out of line,

as it is now, it is more often than not attributable to expectations of an imminent rate peak. Devoutly wished, but painfully slow to materialise, this phenomenon may well have been further delayed by Mr. Volcker's appointment and until long rates start to look more attractive, retail demand is unlikely to stage much of a revival.

This doubtless will affect prices attached to the smattering of new corporate issues due this week. Of some interest will be the conclusions, if any, to be drawn from the plight of a new \$300m 37-year debenture offering last week from the Northwestern Bell Telephone Company. Improbably rated the issue carried an unusual redemption feature which clearly upset the market. Carrying a 9 1/2 per cent coupon and priced to yield 9.33 per cent the offering can be redeemed after five years at 104 1/2 per cent instead of the normal 100 per cent of face value plus the coupon rate.

The underwriters met with considerable sales resistance and in the secondary market the issue's bid price has dropped to 98 to yield 9.68 per cent.

## INTERNATIONAL LOANS

## The U.S. primes the Libor debate

BY JOHN EVANS

MAJOR AMERICAN banks are seen to tempt more foreign borrowers into the U.S. domestic capital markets, partly in the aim of preserving their ready declining share of the 70bn-year international syndicated loans market.

As part of this effort, several are trying to persuade overseas borrowers to accept the U.S. prime rate as the normal pricing mechanism for loans, a preference to the conventional London interbank Eurocurrency rate formula (Libor).

With a domestic recession looming, senior management in several U.S. banks have in recent weeks instructed their branches to seek more overseas assets.

To win new business, however, banks such as Morgan Guaranty and Citicorp have been forced to drop their resistance to declining Euro-market margins, extending credits at spreads of 1/2 per cent or less.

Faced with this squeeze on "profitability", banks are eager to see prime rate supplant

the Libor mechanism. In conventional Euro-loans, the Libor formula is the base used for pricing the overall interest charge.

Among U.S. banks, the domestic prime rate is largely a discretionary mechanism, representing the national level at which they will lend to their highest-rated customers.

Over the past decade, the typical Eurodollar Libor has been on average about five basis points higher than prime, although more recently the relationship has reversed as the U.S. has tightened its credit policies.

One implication is that U.S. banks prefer a prime-based formula, in that it can generate extra profit on lending. In fact, banks recognise this point, and invariably concede a lower margin over prime than they would on a Libor basis.

For instance, Manufacturers Hanover is assembling \$300m for the Italian state concerning ENEL at a split-margin over its prime of 1/4 and 1/2 percentage. By contrast, ENEL is

based pricing formula, both the bank and the international borrower are assured of easier access to a supply of funds from

one banker explains that by going over to an American

raised \$600m a few months ago on a conventional Libor-based credit, at margins of 1/4 and 1/2 points.

the U.S. banking and money markets.

Via prime-based lending, the large retail deposit base of U.S. banks can be more easily employed in foreign loans. Additionally, banks can "buy"

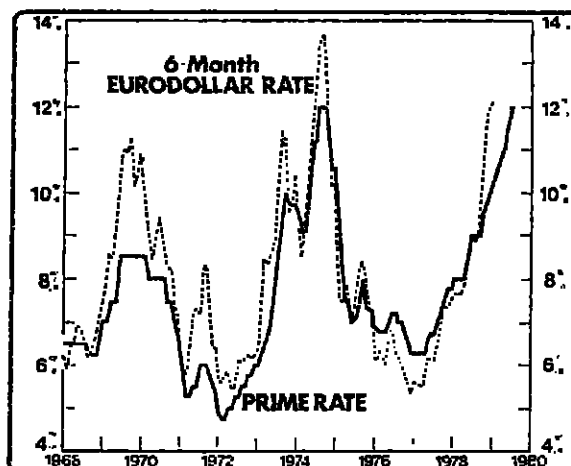
in funds to support their lending from a wider variety of money market options—such as CD's bankers' acceptances,

commercial paper and the Federal funds markets.

Most of these options typically represent a cheaper source of borrowing for the banks themselves.

The question of compensating balances on U.S. banks' domestic lending, under which a borrower usually re-deposits with the bank a certain proportion of the loan, is not seen as a problem. Increasingly, the prudential risk in such loans is recognised by a slight extra margin over prime, rather than requesting a matching balance.

Some U.S. bankers are urging that the move to a domestic lending base should be even more aggressive. Borrowers should be offered a wide range of loan-pricing alternatives with margins geared to large-deno-



## FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS					YEN STRAIGHTS					EUROBOND TURNOVER				
Change on day					Change on day					Change on day				
Issued	Bid	Offer	Day	Yield	Issued	Bid	Offer	Day	Yield	Issued	Bid	Offer	Day	Yield
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Norfolk 1/84	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00	Avco Fin. 10/83	100	100	0	10.00
U.S. Govt. 10/80	100	100	0	10.00	Australia 5/83	100	100	0	10.00					



# BUSINESSMAN'S DIARY

## UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Motor Cycle Show (01-741 2156) (until September 1)	Earls Court
Sept. 2-6	Giftware and Fashion Accessories Trade Fair (Tunbridge Wells 36888)	Bristol Exbn. Centre
Sept. 3-7	International Music Publishing and Recording Industry Show—INTERPOP (01-488 0059)	Comnaught Rooms, London
Sept. 3-7	Offshore Europe Exhibition and Conference (01-549 5531)	Aberdeen
Sept. 4-8	Point-of-Sale Exhibition (01-340 3281)	West Centre Hotel, London
Sept. 4-7	International Carpet Fair (021-705 6707)	Harrogate
Sept. 4-7	International Implant Printing Show—REPRO. WORKSHOP (01-647 1001)	Wembley Conference Centre
Sept. 6-8	Business and Light Aviation Show (01-261 8437)	Cranfield Airfield, Beds.
Sept. 11-23	Chelsea Antiques Fair (0727 58069)	Chelsea Old Town Hall
Sept. 11-13	Electronics Show (08833 4371)	Bristol Exhibition Centre
Sept. 16-19	MAB 79—International Menswear Fair (01-839 5041)	Earls Court
Sept. 17-20	Filtech/Dustex 79—2nd World Filtration Exhibition (01-235 0911)	Olympia
Sept. 18-21	Firetech 79 International Fire Protection and Control Exhibition (01-637 2400)	Brighton Exbn. Centre
Sept. 24-26	Weightech 79 (01-686 5741)	Metropole Ex. Centre Brighton
Sept. 24-28	International Welding and Metal Fabrication Exbn. (021-705 6707)	National Exhibition Centre, Birmingham
Sept. 25-28	International Conference and Exhibition on Information Processing—Euro IFIP (01-405 6233)	Wembley Conference Centre
Sept. 25-28	Business Efficiency and Equipment Exhibition (0272 31589)	Exhibition Centre, Bristol
Sept. 26-30	High Fidelity Autumn Exhibition (Radnage 2674)	Cunard Int. Hotel, London
Sept. 27-28	Interior Designers and Decorators Association Exhibition—DECOREX (01-242 6171)	Grosvenor House, London
Sept. 30-Oct. 3	Frozen Foods and Freezer Festival (01-353 4885)	West Centre Hotel, London
Sept. 30-Oct. 3	British International Footwear Fair (01-739 2071)	Olympia
Sept. 30-Oct. 3	International Sports and Leisure Exhibition—ISLE (01-734 9694)	Nat. Exbn. Centre, Birm'ghm

## OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	Title	Venue
Aug. 29-Sept. 12	Electrical and Electronics Components Exhibition (until August 31)	Gothenburg
Aug. 31-Sept. 9	Timber and Woodworking Industry Exhibition	Moscow
Sept. 2-9	International Fair of Consumer Goods (01-874 6034)	Stockholm
Sept. 3-10	International Autumn Fair (01-493 3111)	Leipzig
Sept. 4-11	International Trade Fair of Alchemists	Plovdiv
Sept. 8-11	Technical Trade Expo (01-242 4794)	Algiers
Sept. 8-11	International Leather Week (01-439 3964)	Paris
Sept. 8-16	International Autumn Fair (01-594 6938)	Vienna
Sept. 8-23	International Fair	Ghent
Sept. 12-20	International Engineering Fair (01-273 0281)	Bruno
Sept. 13-16	International DIY Trade Fair (01-236 0811)	Beco
Sept. 14-23	International Autumn Fair (01-438 1951)	Zagreb
Sept. 16-19	LIGAM—Furniture Trade Fair	Brussels
Sept. 16-19	Clothing Fair	Brussels
Sept. 17-21	Fall Gift Show (01-540 1101)	Toronto
Sept. 18-21	Int. Security, Safety and Protection of Mankind and Property Exbn. (01-438 1951)	Paris
Sept. 19-21	International Office Equipment Exbn.—SICOB (01-439 9638)	Paris
Sept. 21-25	International Packaging Show (01-734 9638)	Tokyo
Sept. 22-25	Int. Trade Fair of Sports Goods, Camping Equipmt. and Garden Furniture—SPOGA (01-409 0856)	Cologne
Sept. 22-26	Industrial Equipment and Material Exhibition—INDOEX	Hong Kong
Sept. 23-26	Hardware Trade Fair (01-439 3964)	Paris
Sept. 25-27	National Business Aircraft Association Convention and Exhibition	Atlanta
Sept. 28-30	Research and Development Exhibition—INNOTEX 79 (01-236 0911)	Stuttgart
Sept. 27-30	International Suppliers Fair for the Motor Industry—AUTOTERNIK	Copenhagen

## BUSINESS AND MANAGEMENT CONFERENCES

Sept. 3-7	Brunei Management Prog.: Production Management and Human Behaviour (Uxbridge 56461)	Brunei University
Sept. 6-7	MSS: Management Skills for Women (Lincoln 38520)	Lincoln
Sept. 10-12	EMS: The Japanese Approach to Product Quality Management (High Wycombe 33171)	Institute of Directors, Pall Mall
Sept. 11-13	Freight Information Services: Practical Marketing for Road Hauliers (Southport 38515)	Southport
Sept. 11-12	ASUAG: International Chronometry Congress (01-387 0114)	Geneva
Sept. 12-13	Financial Times: Korea in the 1980s (01-236 4382)	Seoul
Sept. 12-15	International Newspaper Promotion Association: 9th European Conference	Munich
Sept. 13-14	Society of Chemical Industry: Marine Corrosion on Offshore Structures	University of Aberdeen
Sept. 14	CILA: Educational Conference (01-240 1496)	Frankfurt
Sept. 14	MSS Computer and Business Consultancy: Effective Budgeting and Financial Planning (Worthing 34755)	Royal Lancaster Hotel, W2 London
Sept. 16-21	Brunei Management: Experimental Methods in Management Training (Uxbridge 56461)	Brunei University

All of these securities having been sold, this announcement appears as a matter of record only.

\$80,000,000

Canon Inc.

(a Japanese corporation)

6¾% Convertible Debentures due December 31, 1994

Goldman, Sachs & Co.

Nomura Securities International, Inc.

The First Boston Corporation

Merrill Lynch White Weld Capital Markets Group

Salomon Brothers

Merrill Lynch, Pierce, Fenner & Smith Incorporated

ABD Securities Corporation

Yamaichi International (America), Inc.

Bache Halsey Stuart Shields

Andresens Bank A.S.

Barclays Bank International

Basle Securities Corporation

Berliner Handels- und Frankfurter Bank

Bear, Stearns & Co.

Credit Commercial de France

Blyth Eastman Dillon & Co.

Dillon, Read & Co. Inc.

Deutsche Girozentrale

Robert Fleming

—Deutsche Kommunalbank—

Kidder, Peabody & Co.

Deutsche Girozentrale

Lehman Brothers Kuhn Loeb

Deutsche Girozentrale

New Court Securities Corporation

Deutsche Girozentrale

Orion Bank

Deutsche Girozentrale

L. F. Rothschild, Unterberg, Towbin

Deutsche Girozentrale

Smith Barney, Harris Upham & Co.

Deutsche Girozentrale

Vereins- und Westbank

Deutsche Girozentrale

Wertheim & Co., Inc.

Deutsche Girozentrale

August 1979

# INSURANCE

## Keeping down the cost of fire cover

BY ERIC SHORT

THE COST of insuring buildings and factories against fire continues to rise with inflation and insurance managers and brokers are under pressure to contain this rise.

Some sophisticated schemes are being devised aimed at keeping down costs. One of the latest to appear concerns "layered" fire insurance.

The principle of layered cover is simple: the overall sum insured is divided into layers. A typical example would be to divide the cover into four sections: up to £100,000; £100,000 to £1m; £1m to £5m; more than £5m.

Each layer is then placed with different insurers and treated as a separate contract.

That type of layered cover is quite common in liability insurance, especially product liability and professional indemnity. It is a fairly new idea, however, in fire insurance. It has developed rather slowly, starting from the original idea of deductibles in fire insurance.

A deductible works on a similar principle to that of an excess on a motor policy. The company carries the first part of the risk itself (say £x) and has its overall premium reduced on two counts.

First, the insurance company does not have to pay out on claims up to the value of £x. Second, there is a more than proportionate saving in expenses because small claims cost more to handle for each unit. Often the saving in premium more than covers the cost of the company's carrying the risk itself.

In the late 1960s, many brokers found difficulty in getting full cover for very large risks. UK fire insurers at the time were making serious losses and there was a shortage of fire capacity.

Some very large risks had an upper loss limit written into the policy and brokers had to seek cover for that top layer from the catastrophe insurance market. Although the period of capacity shortage is long since over, the idea of three-layered insurance

had been established.

The layers were: self-insured, up to the deductible limit; insured, up to the limit of the estimated maximum loss; and the top catastrophe layer.

The modern advocates of layered cover then developed the system into as many as eight layers.

One might have thought that placing several bits of insurance with different insurers in such a complex arrangement would be more costly. Each insurer has to look at the risk and the expenses incurred must be repeated several times over. Those expenses are recouped by the insurers in the premium charged.

But, at outset, the brokers could get such a package more cheaply. At present, there is overcapacity in the market and keen competition for fire business. Thus premium rates are being cut and the brokers seem able to find underwriters willing to take an optimistic view of the sum at risk in not too great a number of years.

Many overseas insurance

companies are seeking to establish themselves in the UK. With such overcapacity, they have to buy their way in by undercutting the established companies and by being more acquiescent to the broker's demands.

The view of some underwriters in the market is that the upper layers are often underpriced. In a good year, the underwriter may make substantial profits, but those need to be set aside to cover heavy losses in a bad year.

There are, however, certain disadvantages in a multi-layered approach. The main drawback occurs when the insurance comes up for renewal and the insurer in the bottom layer refuses to renew.

The scheme collapses like a house of cards. The broker may have difficulty in reconstructing it.

Layering begins to make more sense when the company is operating a self-insured system, usually through a captive insurance company.

Besides the company carrying the bottom layer itself, the lower layers are insured through its captive insurance company.

There is also a danger of gaps in the cover, especially at the top end. Total losses are not unknown, especially arising from arson.

The growing use of layered schemes has resulted in some writers analysing the actual claims experience in much greater detail so that they can work from a more definite statistical base on which to calculate premiums.

Ultimately, the layered insurance, placed with one insurer, may prove to be more expensive than the layered variety. Companies need to consider insurance costs not only in the current year, but in the years ahead.

Innovation in general is a good thing. Any industry needs constantly to consider new ideas and methods. But these schemes must be able to stand the test of time.

## APPOINTMENTS

### Vickers picks pressings managing director

Mr. Andrew Ferguson has been appointed managing director of VICKERS, pressings division, Newcastle upon Tyne. His previous position was general manager, contracts, Vickers defence systems division, Elswick. He succeeds Mr. Roy Gatties, who was recently appointed managing director of Vickers commercial engineering division. Mr. Ferguson joined Vickers in 1944 and served as an engineering apprenticeship.

Lord Harris is to retire from the chair of KENT COUNTY CREAMATORIUM and has been elected president. He will continue to serve his present term as a director and Mr. Jeremy Leigh Pemberton has been appointed to succeed him as chairman. Lord Harris held the office of chairman for over 32 years. Mr. Pemberton has been a member of the Board since 1974 and is managing director of Wharman Reeve Angel.

Mr. Kelvin Ketteringham, formerly general manager at

CARDKEY SYSTEMS, Reading, Berkshire, manufacturers of card operated electronic access control equipment, has been appointed managing director of the company. Mr. Eric Hallam, formerly sales manager, is now general sales manager with responsibility for all UK, European and Middle East sales. Cardkey Systems are part of the American VSI group, which includes Cardkey Systems of Chatsworth, California.

Mr. John Wright, who was previously director of marketing for Tucker Fasteners has joined the Board of BIFURCATED ENGINEERING group of companies. A new subsidiary, Submerged Engineering (Midlands) has been formed to co-ordinate the activities of the operating companies based in the Midlands. The new group will comprise companies with interests in the manufacture of rivets, cold formed parts and construction industry fixings and includes Black and Luff, Cleveland Rivets and Tools, Jesse Haywood and Co., Pearson and Beck, Holdfast Fixings, as well as GTIN Printed Circuits in Sutton Coldfield, and the Redditch-based Weighpack offering automatic weight-count systems. The Board of the new company comprises Mr. G. O. Luff (chairman), Mr. H. L.

Thorne, Mr. R. J. Warner and Mr. J. M. Wright. They are located at the premises of Black and Luff at Kings Norton.

The INTERNATIONAL FINANCE CORPORATION, a subsidiary of the World Bank, has appointed Mr. James M. Kearns as vice-president responsible for finance, personnel administration, programmes and budget, and new development initiatives. He will move to the newly created post from his current position as director-organisation planning department at the World Bank. Mr. Kearns, a U.S. national, is returning to IFC where he was assistant to the

### Highlands Board set to lose neglected land fight

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT is to reject the Highlands and Islands Development Board's request for stronger compulsory purchase powers over unproductive estates.

The decision has not yet been communicated officially to the board but Ministers have made clear that they do not think a case has been made for strengthening the powers provided in the Act that set up the board.

The board launched its campaign for new powers two years ago, saying that deliberate neglect of Highland estates by a few landowners was badly harming productivity and employment in remote areas in danger of depopulation.

The board proposed that it should be empowered to buy these estates, over the landlords heads if necessary, and let them to tenants willing to see them developed and modernised.

### Air pollution reduced, says report

By James McDonald

THERE HAS been considerable progress in reducing environmental air pollution according to the annual report for 1977 of the Air Pollution and Clean Air Inspectorate.

The report, published yesterday by the Health and Safety Executive, says there has been no relaxation of control standards although the economic depression has been responsible for a slower rate of implementation.

It says that less capital was spent on new projects and delays occurred in implementing schemes for existing plants. Old plants were kept active, in some cases to help to safeguard jobs. This was a particular problem for the iron and steel industry.

The inspectors carried out 15,745 inspections compared with 14,959 in 1976. Mineral works caused most complaints, 1977: 50, £3.

AMERICAN MARKETS

NEW YORK, August 28. A WEATHER forecast of heavy rain and strong winds over the central and southern United States and all the grains for minor gains. Silver recovered from its low point to 10.25, but gold remained steady. The dollar advanced against the yen, but the pound continued to fall. Sugar continued to rise, but cotton fell. Wheat advanced, but soybeans fell. Corn advanced, but oats fell. Rice advanced, but barley fell. Coffee advanced, but tea fell. Rubber advanced, but tin fell. Nickel advanced, but copper fell. Lead advanced, but zinc fell. Cadmium advanced, but silver fell. Platinum advanced, but palladium fell. Iridium advanced, but rhodium fell. Osmium advanced, but ruthenium fell. Rhenium advanced, but niobium fell. Manganese advanced, but chromium fell. Vanadium advanced, but titanium fell. Zirconium advanced, but hafnium fell. Tantalum advanced, but niobium fell. Molybdenum advanced, but tungsten fell. Barium advanced, but strontium fell. Calcium advanced, but magnesium fell. Sodium advanced, but potassium fell. Lithium advanced, but beryllium fell. Boron advanced, but aluminum fell. Silicon advanced, but germanium fell. Arsenic advanced, but antimony fell. Tellurium advanced, but selenium fell. Manganese advanced, but chromium fell. Vanadium advanced, but titanium fell. Zirconium advanced, but hafnium fell. Tantalum advanced, but niobium fell. Molybdenum advanced, but tungsten fell. Barium advanced, but strontium fell. Calcium advanced, but magnesium fell. Sodium advanced, but potassium fell. Lithium advanced, but beryllium fell. Boron advanced, but aluminum fell. Silicon advanced, but germanium fell. Arsenic advanced, but antimony fell. Tellurium advanced, but selenium fell.

### NOTICE OF REDEMPTION OF BONDS

## Olivetti International S.A.

US \$15,000,000 6¾%

15 Year Loan of 1967 unconditionally guaranteed by Ing. C. Olivetti & C. S.p.A.

Redemption of US \$676,000—Redemption date October 1, 1979

According to art. 7 of Paying Agency Agreement and terms and conditions of the bonds we inform that the following bonds have been called for redemption at par:

124	636	1849	3407	4948	5805	7255	8344	10202	11251	11354	11737	14114	14622
133	655	1850	3409	4948	5805	7255	8344	10202	11251	11354	11737	14114	14622
143	787	1853	3430	4987	5805	7255	8344	10202	11251	11354	11737	14114	14622
154	975	1858	3440	4988	5805	7255	8344	10202	11251	11354	11737	14114	14622
165	1163	1863	3451	4989	5805	7255	8344	10202	11251	11354	11737	14114	14622
176	1351	1868	3462	4990	5805	7255	8344	10202	11251	11354	11737	14114	14622
187	1539	1873	3473	4991	5805	7255	8344	10202	11251	11354	11737	14114	14622
198	1727	1878	3484	4992	5805	7255	8344	10202	11251	11354	11737	14114	14622
209	1915	1883	3495	4993	5805	7255	8344	10202	11251	11354	11737	14114	14622
220	2103	1888	3506	4994	5805	7255	8344	10202	11251	11354	11737	14114	14622
231	2291	1893	3517	4995	5805	7255	8344	10202	11251	11354	11737	14114	14622
242	2479	1898	3528	4996	5805	7255	8344	10202	11251	11354	11737	14114	14622
253	2667	1903	3539	4997	5805	7255	8344	10202	11251	11354	11737	14114	14622
264	2855	1908	3550	4998	5805	7255	8344	10202	11251	11354	11737	14114	14622
275	3043	1913	3561	4999	5805	7255	8344	10202	11251	11354	11737	14114	14622
286	3231	1918	3572	5000	5805	7255	8344	10202	11251	11354	11737	14114	14622
297	3419	1923	3583	5001	5805	7255	8344	10202	11251	11354	11737	14114	14622
308	3607	1928	3594	5002	5805	7255	8344	10202	11251	11354	11737	14114	14622
319	3795	1933	3605	5003	5805	7255	8344	10202	11251	11354	11737	14114	14622
330	3983	1938	3616	5004	5805	7255	8344	10202	11251	11354	11737	14114	14622
341	4171	1943	3627	5005	5805	7255	8344	10202	11251	11354	11737	14114	14622
352	4359	1948	3638	5006	5805	7255	8344	10202	11251	11354	11737	14114	14622
363	4547	1953	3649	5007	5805	7255	8344	10202	11251	11354	11737	14114	14622
374	4735	1958	3660	5008	5805	7255	8344	10202	11251	11354	11737	14114	14622
385	4923	1963	3671	5009	5805	7255	8344	10202	11251	11354	11737	14114	14622
396	5111	1968	3682	5010	5805	7255	8344	10202	11251	11354	11737	14114	14622
407	5299	1973	3693	5011	5805	7255	8344	10202	11251	11354	11737	14114	14622
418	5487	1978	3704	5012	5805	7255	8344	10202	11251	11354	11737	14114	14622
429	5675	1983	3715	5013	5805	7255	8344	10202	11251	11354	11737	14114	14622
440	5863	1988	3726	5014	5805	7255	8344	10202	11251	11354	11737	14114	14622
451	6051	1993	3737	5015	5805	7255	8344	10202	11251	11354	11737	14114	











OFFSHORE & OSEAS FUNDS

<b>Alexander Fund</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Keyser Ullmann Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>King &amp; Shabson Mgrs.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Kleinwort Benson Limited</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Allen Harvey &amp; Ross Inv. Mgt. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Keyser Ullmann Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>King &amp; Shabson Mgrs.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Kleinwort Benson Limited</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Arbuthnot Securities (C.I.) Limited</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Keyser Ullmann Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>King &amp; Shabson Mgrs.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Kleinwort Benson Limited</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Bank of America International S.A.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Keyser Ullmann Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>King &amp; Shabson Mgrs.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Kleinwort Benson Limited</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Bank of America International S.A.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Keyser Ullmann Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>King &amp; Shabson Mgrs.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Kleinwort Benson Limited</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00

<b>Trades Union Unit Tr. Managers</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Trades Union Unit Tr. Managers</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Trades Union Unit Tr. Managers</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Trades Union Unit Tr. Managers</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Transatlantic and Gen. Sec. (C.I.)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00

INSURANCE & PROPERTY BONDS

<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>Abney Life Assurance Co. Ltd.</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00

<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00
<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00	<b>UNIT TRUST MANAGERS (a)</b> 100 Wood Street, London EC2A 3JF 01-428-8011 TUE 10.00-11.00

NOTES  
The following information is for general information only and does not constitute an offer of any securities. It is intended to provide a general overview of the services provided by the Unit Trust Managers. For more detailed information, please refer to the prospectus or contact the Unit Trust Managers directly.







## FINANCE 1 AND 2—Continued

[illegible]

Incumbents		Runners-Up	
1	J.C. I...	24	Tube Investments
2	Brew...	23	Unilever
3	Wool...	22	Unilever
4	S.S.R.	21	Unit Drapery
5	Bank	20	Vickers
6	Balbo...	19	Wool...
7	Wool...	18	Wool...
8	Seach...	17	Property
9	Shan C...	16	Brit. Land
10	Boole...	15	Cap. Counties
11	Swaters	14	Land Le...
12	Wool...	13	MEPC
13	Wool...	12	Peapack
14	Wool...	11	Mann
15	Wool...	10	Mar...
16	Wool...	9	Wool...
17	Wool...	8	Wool...
18	Wool...	7	Wool...
19	Wool...	6	Wool...
20	Wool...	5	Wool...
21	Wool...	4	Wool...
22	Wool...	3	Wool...
23	Wool...	2	Wool...
24	Wool...	1	Wool...

May [Argid-Am. inv. 50c ..]

Month	Day	Location	W	Th	F	Sa	Su
Mar.	Dec.	De Beers, D. F.	375	26.1	1200	3.0	10.3
Apr.	Aug.	Do. 4000 Ft. SR	875	27	1270	497	11.7
		Impalla Plat. 20c	180	12.3	94c	0	10
Nov.	May	Lydenburg 12c	86	4.5	106c	0.9	4.7
Nov.	May	Rus. Plat. 10c	132	6.5	98c	2.7	3.1

CENTRAL AFRICAN							
Month	Day	Location	W	Th	F	Sa	Su
Nov.	May	Falcon Rh. 50c	310	12.3	1060c	1.7	14.1
May		Rio de Congo. 150c	26	28.4	0.5c	6.5	3.1
		Pinan Cons. 84	90	1274			
Nov.	May	Wankie Co. Rh. 1	60	9.4	98c	1.9	10.9
		Zam. Cp. 5800 24	12	1174			

Butlers	21	N.E.I.	14	Oils	
Dunlop	21	High West Bank	25	Ref. Petroleum	100
East Star	14	Do. Warran.	15	Burnham Oil	15
Electric	14	P. & S. Id.	10	Charterhall	5
General Agency	21	Plesley	5	Premier	5
Gen. Electric	14	R.N.M.	5	Shell	25
Globo	25	Rank Org.	5	Uthman	25
Grand Alca.	14	Reed Indst.	15		
Ind. A.S. "A"	25	Robt. & Co.	25	Miners	
Insurance	25	St. John	25		
K.M.N.	25	Tesco	35	Charter Coms.	15
Lander Stds.	26	Thorn	35	Cons. Gold	25
House of Fraser	18	Three Houses	17	Rio T. Zinc	27



